

3265. By Mr. VINCENT of Michigan: Petition of citizens of Gratiot County and Montcalm County, Mich., protesting against the passage of Senate bill 3218, providing for Sunday observance; to the Committee on the District of Columbia.

SENATE

FRIDAY, December 19, 1924

(Legislative day of Tuesday, December 16, 1924)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

The PRESIDENT pro tempore. The Senate will receive a message from the House of Representatives.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Haltigan, one of its clerks, announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 6941) granting pensions and increase of pensions to certain soldiers and sailors of the Civil War and certain widows and dependent children of soldiers and sailors of said war.

ENROLLED BILLS SIGNED

The message also announced that the Speaker of the House had affixed his signature to the following enrolled bills and they were thereupon signed by the President pro tempore:

H. R. 10650. An act to authorize the settlement of the indebtedness of the Republic of Lithuania to the United States of America; and

H. R. 10651. An act to authorize the settlement of the indebtedness of the Republic of Poland to the United States of America, and for other purposes.

DEBT SETTLEMENT WITH LITHUANIA—CORRECTION

Mr. SMOOT. Mr. President, I rise to make a correction in the report (No. 811) accompanying the bill (S. 3554) to authorize the settlement of the indebtedness of the Republic of Lithuania to the United States of America. In the report on page 3, where is set forth the agreement relative to the indebtedness, the Public Printer has made a mistake. It is there stated that the rate of interest is $4\frac{1}{2}$ per cent per annum. It should be $4\frac{1}{4}$ per cent. It is a mistake on the part of the Printing Office, and I desire that there shall be no question about it so far as the Record is concerned, so I make this statement, that the correction may appear.

Mr. ROBINSON. I am interested to know if the Senator has examined the manuscript upon which the report was based.

Mr. SMOOT. I have, and it is $4\frac{1}{4}$ per cent there. It is purely a mistake on the part of the printer.

CLAIMS OF CONTRACTORS FOR POST OFFICE AND OTHER BUILDINGS

The PRESIDENT pro tempore laid before the Senate a communication from the Secretary of the Treasury, transmitting, pursuant to law, a detailed statement showing the number of claims, at the close of business on November 30, 1924; under the act of Congress approved August 5, 1919, and amendments thereto, filed by contractors and subcontractors for post office and other building work under the supervision of the Treasury Department, which was referred to the Committee on Public Buildings and Grounds.

PETITIONS AND MEMORIALS

The PRESIDENT pro tempore laid before the Senate a petition of the Council of the City of Chicago, Ill., praying that the U. S. airplane flagship *Chicago* be placed in the custody of the city of Chicago, which was referred to the Committee on Military Affairs.

Mr. PEPPER presented the memorial of the Philadelphia (Pa.) Board of Trade, relative to House bill 8887, the so-called McFadden bill, amending the national banking laws and the Federal reserve act, which was referred to the Committee on Banking and Currency.

Mr. MAYFIELD presented a memorial numerously signed by sundry citizens of San Antonio, in the State of Texas, remonstrating against the passage of legislation providing for compulsory Sunday observance in the District of Columbia, which was referred to the Committee on the District of Columbia.

Mr. BROUSSARD presented memorials numerously signed by sundry citizens of New Orleans and Louisiana, all in the State of Louisiana, remonstrating against the passage of

legislation providing for compulsory Sunday observance in the District of Columbia, which were referred to the Committee on the District of Columbia.

ARLINGTON MEMORIAL BRIDGE

Mr. FERNALD. Mr. President, I am receiving a great many letters from governors of States, particularly in the South and West urging the passage of the Arlington Memorial Bridge bill. I do not ask that they all be printed in the Record, but I received this morning a letter from Governor Trinkle of Virginia, that is so concise, terse, and eminently fair, that I ask that it may be printed in the Record, and referred to the Committee on Public Buildings and Grounds. The PRESIDENT pro tempore. Is there objection? The Chair hears none, and it is so ordered.

The letter is as follows:

COMMONWEALTH OF VIRGINIA,
GOVERNOR'S OFFICE,
Richmond, December 18, 1924.

Senator BERT M. FERNALD,
Washington, D. C.

MY DEAR SENATOR FERNALD: I do hope that you can give your active and energetic support to the Arlington Memorial Bridge out of Washington, leading into Virginia and across to Arlington. All of the people of Virginia and of the entire South would appreciate this. We do hope that the bill may pass.

Very truly yours,

E. LEE TRINKLE,
Governor of Virginia.

REPORTS OF COMMITTEES

Mr. WALSH of Montana, from the Committee on Public Lands and Surveys, to which were referred the following bills, reported them each without amendment and submitted reports thereon:

A bill (S. 3548) for the relief of the heirs of Karl T. Larson, deceased (Rept. No. 819); and

A bill (H. R. 7522) to authorize and direct issuance of patents to purchasers of lots in the town site of Bowdoin, Mont. (Rept. No. 820).

Mr. ERNST, from the Committee on Finance, to which was referred the bill (S. 3505) for the relief of Canadian Car & Foundry Co. (Ltd.), reported it without amendment and submitted a report (No. 821) thereon.

Mr. SHIPSTEAD, from the Committee on Public Buildings and Grounds, submitted a report (No. 822) to accompany the bill (S. 1181) naming the seat of Government of the United States, heretofore reported by him from that committee.

COLUMBIA BASIN PROJECT

Mr. JONES of Washington. Mr. President, at the last session of Congress we provided for an investigation of what is known as the Columbia Basin project. The appropriation under the terms of the law, however, could not be used after December 31, 1924. The investigating committee will have its report ready by the middle of January or not later than the 1st of February. There is some eight or ten thousand dollars still unexpended that it may be necessary to use for this purpose. The Committee on Appropriations have authorized me to report back the joint resolution, S. J. Res. 157, continuing available the unexpended balance until the report is made. I ask unanimous consent for its immediate consideration.

There being no objection, the joint resolution (S. J. Res. 157) extending appropriation in connection with Columbia Basin investigation, was considered as in Committee of the Whole, and it was read, as follows:

Resolved, etc., That the unexpended balance of the appropriation contained in the act of March 4, 1923 (42 Stat. L. p. 1540), making appropriations for investigation of the feasibility of irrigation by gravity or pumping, water sources, water storage, and related problems, in connection with Columbia Basin project, is hereby reappropriated and made available immediately and to continue available until the investigation is completed.

Mr. McNARY. Mr. President, I wish to offer an amendment to the joint resolution.

When the law was passed it contained an appropriation of \$50,000 for an examination and survey of the water power at Umatilla Rapids in the Columbia River. There is a small portion of that money yet unexpended and a little more work to do. I am in accord with the proposal of the Senator from Washington, but I want to amend it by including the Umatilla Rapids project.

Mr. SMOOT. May I say to the Senator that if his amendment is accepted there will not be sufficient money in the fund remaining to finish the examination.

Mr. McNARY: Oh, yes; the examination has been finished. There is \$6,000 yet unexpended and a little more work to undertake in the way of a survey of certain irrigable land in connection with the project.

Mr. SMOOT: The Senator is not asking for an increase of the appropriation?

Mr. McNARY: I am not asking for anything like that. I merely want to have the money already appropriated made available for another year.

Mr. JONES of Washington: When does the Senator from Oregon expect the report to be ready to submit to the Senate under his survey? From the last remark the Senator made I think the conditions are a little different in the two cases. The report that the joint resolution provides for will be made by the middle of January or at latest by the 1st day of February, and that is the only reason why I ask that the money may be made available, but if the Senator's report will not be ready for a year it could very well be taken care of in the regular appropriation bill. I shall not object to the amendment, but it does seem to me that it complicates my proposition very materially, and I hope the Senator will not urge it.

Mr. McNARY: We have for consideration at this time before the committee having in charge the supply bill for the Department of the Interior an amendment making the money available for one year from next July. I am sure that the Senator from Utah [Mr. SMOOT] will accept that amendment. It may not be proper to offer it at this time. I do not want to embarrass the joint resolution of the Senator from Washington. If there is any danger to it involved, I withdraw my amendment.

Mr. JONES of Washington: I appreciate that action on the part of the Senator from Oregon.

The joint resolution was reported to the Senate without amendment, ordered to be engrossed for a third reading, read the third time, and passed.

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. McNARY:

A bill (S. 3725) to amend the military record of Charles G. Bluett; to the Committee on Military Affairs.

By Mr. HALE:

A bill (S. 3726) for the relief of Walter Dickey (with accompanying papers); to the Committee on Naval Affairs.

By Mr. RANDELL:

A bill (S. 3727) granting the consent of Congress to the police jury of Morehouse Parish, La., or the Louisiana Highway Commission to construct, maintain, and operate a bridge across the Bayou Bartholomew at each of the following-named points in Morehouse Parish, La.: Vester Ferry, Ward Ferry, and Zachery Ferry; to the Committee on Commerce.

By Mr. BROOKHART:

A bill (S. 3728) to amend section 24 of the act entitled "An act for making further and more effectual provision for the national defense, and for other purposes," approved June 3, 1916, as amended; to the Committee on Military Affairs.

By Mr. SHORTRIDGE:

A bill (S. 3729) to provide for the protection of certain navigable waters in the State of California; to the Committee on Commerce.

By Mr. SHEPPARD:

A bill (S. 3730) authorizing the Secretary of Agriculture to formulate and recommend standard weights and standard methods of wrapping, packing, and tying cotton bales, and for other purposes; to the Committee on Agriculture and Forestry.

By Mr. BALL:

A bill (S. 3731) to permit meetings of societies—benevolent, educational, etc.—organized under the laws of the District of Columbia to be held outside of said District; to the Committee on the District of Columbia.

By Mr. BURSUM:

A bill (S. 3732) granting an increase of pension to Robert G. Marmon; to the Committee on Pensions.

ADMISSION OF CERTAIN IMMIGRANTS

Mr. COPELAND: I introduce a joint resolution, which I ask to have read and lie over under the rule.

The joint resolution (S. J. Res. 160) relative to the immigration of certain aliens was read the first time by its title and the second time at length and ordered to lie on the table, as follows:

Resolved, etc., That such persons intending to become immigrants to the United States to whom prior to July 1, 1924, passports had been issued bearing the genuine visés of consuls and consular officers of the

United States executed pursuant to the provisions of the act entitled "An act to limit the immigration of aliens into the United States," approved May 19, 1921, as amended and extended, who are now detained at various European ports in consequence of the exhaustion of the quotas allocated under said act to the respective lands of their nativity or by reason of the provisions of the act entitled "An act to limit the immigration of aliens into the United States, and for other purposes," approved May 26, 1924, may, if otherwise admissible, be permitted severally to enter and remain in the United States without regard to the provisions of the aforesaid acts: Be it further

Resolved, That section 4, subdivision (d), of the aforesaid act, approved May 26, 1924, shall be applicable to the wife and unmarried children under 18 years of age following to join any immigrant referred to in said provision who entered the United States prior to July 1, 1924.

AMENDMENTS TO MUSCLE SHOALS BILL

Mr. COPELAND submitted an amendment and Mr. BROOKHART submitted two amendments intended to be proposed by them to House bill 518, the so-called Muscle Shoals bill, which were severally ordered to lie on the table and to be printed.

AMENDMENT TO AGRICULTURAL APPROPRIATION BILL

Mr. CURTIS submitted an amendment proposing to appropriate \$10,000 for the establishment and maintenance of a market news service at Wichita, Kans., including personal services and other incidental expenses, intended to be proposed by him to House bill 10404, the Agricultural Department appropriation bill, which was referred to the Committee on Appropriations and ordered to be printed.

COMMITTEE SERVICE

On motion of Mr. ROBINSON, and by unanimous consent, the following order was agreed to:

Ordered, That the Senator from Arkansas, Mr. CARAWAY, be assigned to service on the Committee on Public Lands and Surveys.

MUSCLE SHOALS

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 518) to authorize and direct the Secretary of War, for national defense in time of war and for the production of fertilizers and other useful products in time of peace, to sell to Henry Ford, or a corporation to be incorporated by him, nitrate plant No. 1, at Sheffield, Ala.; nitrate plant No. 2, at Muscle Shoals, Ala.; Waco Quarry, near Russellville, Ala.; steam power plant to be located and constructed at or near Lock and Dam No. 17 on the Black Warrior River, Ala., with right of way and transmission line to nitrate plant No. 2, Muscle Shoals, Ala.; and to lease to Henry Ford, or a corporation to be incorporated by him, Dam No. 2 and Dam No. 3 (as designated in H. Doc. 1262, 64th Cong., 1st sess.), including power stations when constructed as provided herein, and for other purposes.

Mr. NORRIS: Mr. President, day before yesterday I offered some evidence showing that three of the directors of the Alabama Power Co. were likewise directors in various subsidiary companies of the General Electric Co. There are two well-known ways of controlling these various things. One is by stock ownership, either in whole or in part, and the other is by interlocking directorates. It already appears that the interlocking directorate exists as between the General Electric Co. and the Alabama Power Co., its subsidiary. I now want to offer to the Senate the facts in relation to another means of control of this same Alabama Power Co. through stock ownership.

The common stock of the Alabama Power Co., 187,510 shares of no par value, is all owned by the Southeastern Power & Light Co., of Maine. A few years ago all of the stock of the Alabama Power Co. was owned by the Alabama Traction, Light & Power Co. (Ltd.), of Canada. It became necessary for some reason that this stock be owned by an American company, and so the Southeastern Power & Light Co. was organized and took over all of the stock of the Alabama Power Co. Whether this transfer was only on paper or a genuine transfer I am not able to say, but at least that is how it is owned. Between 18 and 20 per cent of the common stock of the Southeastern Power & Light Co. is owned by the Electric Bond & Share Co., which, in turn, is entirely owned by the General Electric Co. So that there are two connections between the Alabama Power Co. and the General Electric Co., one by stock ownership and the other by interlocking directorates.

I told the Senate day before yesterday that I was having gathered some information about the stock ownership of various subsidiary companies of the General Electric Co. I have a large part of that information, so far as stock owner-

ship is concerned. I do not yet have the interlocking directors, which Senators will readily see is a very difficult thing to work out, because there are thousands of names and many hundreds of corporations that must be looked into in order to get a correct analysis of the interlocking directorates.

The General Electric Co. owns 100 per cent of the Cooper Hewitt Electric Co., manufacturers of electric lights used by industrial manufacturers, motion-picture studios, photographers, and in photographic laboratories. It also owns 100 per cent of the common stock and 95 per cent of the preferred stock of the International General Electric Co., an export corporation, which handles the engineering, manufacturing, and selling activities and investments in utility enterprises, and so forth, for the General Electric Co. in foreign countries. It also owns 76 per cent of the stock of the Edison Electric Appliance Co. (Inc.). This company is the largest manufacturer of household electrical-heated appliances. I said it owned 76 per cent of the stock. It owns 62 per cent of the common stock and 76 per cent of the preferred stock.

The General Electric Co. also owns two-thirds of the voting stock of the Victor X-Ray Corporation. The General Electric Co. also owns all of the common stock of the Electric Securities Corporation, which is the owner of mortgage bonds of certain electric railway, electric light and power companies, and by its charter has the power to acquire other bonds of similar companies and to pledge any such bonds owned by it to secure its successive series of collateral trust bonds. So there are subsidiary companies, very many of them, of the General Electric Securities Corporation, the names of which I do not have.

The General Electric Co. also owns 50 per cent of the common stock of the Locke Insulator Corporation, which produces all types of insulators for power transmission and special designs of high-voltage porcelains, bus-bar supports, disconnecting switches, and lightning arrestors.

The General Electric Co. also owns a substantial interest in the Electric Vacuum Cleaner Co. (Inc.), which controls the Premier Service Co., with 38 branches in the principal cities of the United States, and the Premier Vacuum Co. (Ltd.), with branches in Toronto and Winnipeg. So there are 40 subsidiary companies of this subsidiary company whose names I do not as yet have.

The General Electric Co. also owns a substantial interest in the Trumbull Electric Manufacturing Co., manufacturers of electric switches and supplies.

The General Electric Co. also has a substantial interest in the Hurley Motor Co.

The General Electric Co. also has a substantial interest in the Radio Corporation of America. The outstanding capital stock of the Radio Corporation of America in 1922 was over \$5,000,000 of common stock and nearly \$4,000,000 of preferred stock. Of this the General Electric Co. owned \$1,876,000 of the common stock and \$620,800 of the preferred stock. On January 28, 1924, the Federal Trade Commission issued a complaint against the Radio Corporation of America, the General Electric Co., and five other companies, alleging a monopoly in radio apparatus and communication, both domestic and transoceanic.

The General Electric Co. also owns the Canadian General Electric Co. (Ltd.), incorporated July 15, 1892, in Canada. This company in 1910 purchased the lands and plant of the Canadian Shipbuilding Co. in Ontario. In 1911 the property and assets of the Sunbeam Incandescent Lamp Co., of Toronto, were acquired. In 1913 the company acquired the property and assets of Allis-Chalmers-Bullock (Ltd.), of Montreal, and the Stratford Mill Building Co., of Stratford, Ontario, and has concluded an agreement with the Allis-Chalmers Manufacturing Co., of Milwaukee, which gives the Canadian General Electric Co. the exclusive right to manufacture and sell in Canada apparatus manufactured by the Allis-Chalmers Manufacturing Co. The business acquired from Allis-Chalmers-Bullock (Ltd.), of Montreal, is being conducted under the name of the Canadian Allis-Chalmers (Ltd.).

In 1919 this company bought the factory formerly occupied by the Mooney Biscuit & Candy Co. (Ltd.), of Stratford, Ontario.

The Canadian Sunbeam Lamp Co. (Ltd.) is the name of the other subsidiary of this company. This subsidiary company operates the largest engineering works in Canada.

An agreement with the General Electric Co., of Schenectady, gives to this company the perpetual and exclusive right to manufacture and sell General Electric apparatus in Canada and Newfoundland. The company has acquired from time to time the rights and business for Canada of various companies owning patents on electrical machines and specialties, including the Edison General Electric Co., the Edison Electric

Light Co., the Thomson-Houston International Electric Co., and so forth.

The General Electric Co. owns a controlling interest in the Canadian General Electric Co. (Ltd.), which has all these subsidiaries which I have enumerated.

The General Electric Co. owns the entire common stock of the Electric Bond & Share Co., which, in turn, has a large number of subsidiary companies, and which acts as fiscal agent or supervises the operations of 11 associated companies, which, in turn, control numerous other utilities. The Electric Bond & Share Co. owns the American Gas & Electric Co., which, in turn, controls the Atlantic City Electric Co., the Benton Harbor-St. Joe Railway & Light Co., the Indiana & Michigan Electric Co., the Kentucky & West Virginia Power Co. (Inc.), the Northwestern Ohio Light Co., the Ohio Power Co., the Ohio Service Co., the Rockford Electric Co., the Scranton Electric Co., the West Virginia Water & Electric Co., the Wheeling Electric Co., the Albany Water & Light Co., the Jonesboro Water Co., and the Montpelier Utilities Co.

This Electric Bond & Share Co., which, as I have stated, is entirely owned by the General Electric Co., also owns the American Power & Light Co., which, in turn, controls the Kansas Gas & Electric Co., the Pacific Power & Light Co., the Portland Gas & Coke Co., the Nebraska Power Co., and the Minnesota Power & Light Co. This last-named company, in turn, owns all of the capital stock of the Great Northern Power Co. and operates its properties under lease.

The American Power Electric Bond & Share Co. also owns the Southwestern Power & Light Co.

The Electric Bond & Share Co., this subsidiary, which is entirely owned by the General Electric Co., also owns the Lehigh Power Securities Corporation, which controls the Pennsylvania Power & Light Co., which was organized in 1920 by a merger of the Pennsylvania Lighting Co., and of the following companies, which had been controlled by the Lehigh Power Securities Corporation: The Lehigh Valley Light & Power Co., the Northern Central Gas Co., the Columbia & Montour Electric Co., the Northumberland County Gas & Electric Co., the Harwood Electric Co., and the Schuylkill Gas & Electric Co. This company, that is, the Lehigh Power Securities Corporation, this subsidiary, in 1923, acquired the properties of the Wilkes-Barre Co., the Lycoming Edison Co., the Lock Haven Electric Light & Power Co., and Jersey Shore Electric Co., and, among other companies, controls the Hagerstown Light & Heat Co., of Washington County, Md.

This same company, the Lehigh Power Securities Corporation, controls the Lehigh Valley Transit Co., which controls, among other companies, the Easton Consolidated Electric Co. The latter company controls the Edison Illuminating Co. of Easton, the Pennsylvania Motor Co., and Easton Transit Co., which, in turn, controls the Easton Transit Co., which controls the Easton Amusement Co. and the Phillipsburg Transit Co.

The Lehigh Power Securities Corporation also controls East End Passenger Railway, the Jersey Shore Electric Street Railway, the South Side Passenger Railway, the Vallamont Traction Co., and the Williamsport Passenger Railway Co.

This subsidiary, the Electric Bond & Share Co., also owns the National Power & Light Co., which, in turn, controls the Houston Lighting & Power Co., the Knoxville Power & Light Co., the Arkansas Central Power Co., the Birmingham Electric Co., and the Memphis Power & Light Co., which has acquired substantially all of the capital stock of the Memphis Street Railway Co.

The same subsidiary owns the New Orleans Public Service (Inc.), which controls the New Orleans City Railroad Co., the St. Charles Street Railroad Co., the Jefferson & Lake Pontchartrain Railway Co., the Railways Realty Co., and the New Orleans Gas Light Co.

It also owns the Carolina Power & Light Co., which controls the Yadkin River Power Co. and the Asheville Power & Light Co.

The same subsidiary also owns the Power Securities Corporation, the principal assets of which consist of all the common stock, except directors' shares, of the Idaho Power Co., and the Idaho Power Co. owns all the issued stock of the Boise Valley Traction Co. and the Nevada Power Co.

The same subsidiary owns the Utah Securities Corporation, which is an investment company that does not operate any properties, but controls the Utah Power & Light Co., which in turn controls the Western Colorado Power Co. and the Utah Light & Traction Co.

The same subsidiary of which I have been speaking also owns the Dallas Power & Light Co. and the Dallas Railway Co. It also owns the American & Foreign Power Co. (Inc.), which was formed to acquire and operate, directly or through

subsidiaries, public utility properties in the United States and foreign countries. The American & Foreign Power Co. has acquired the following companies in South and Central America: Compania de Electricidad de Cardenas, South America; Compania Electrica de Cienfuegos, South America; Compania de Servicios Publicos "Madrado," South America; Compania Electrica de Alumbrado y Traccion de Santiago; Oriente Interurban Electric Co. (Inc.); Compania Cubana de Electricidad, South America; Compania Cubana de Hielo, South America; Camaguey Electric Co., South America; American Foreign Power & Light Co.; Empresa Electrica de Guatemala; Empresa Electrica de Escuintla; Empresa del Alumbrado Electrico del Norte; and the Panama Power & Light Corporation.

Mr. President, at a future date, as soon as I am able, if I succeed in securing data as to the interlocking directorates of these companies, I will submit them to the Senate.

Mr. DILL. Mr. President, will the Senator yield?

The PRESIDENT pro tempore. Does the Senator from Nebraska yield to the Senator from Washington?

Mr. NORRIS. I yield to the Senator.

Mr. DILL. Is the Senator's investigation complete as to the properties owned by the General Electric Co.?

Mr. NORRIS. No. It is a very difficult thing to get them all. Mr. President, I wish the Senator from Idaho [Mr. BORAH] were present, as he is chairman of the committee which has been holding sessions during the late campaign to investigate the campaign expenditures, for I should like to have a statement from him or some one who knows whether that investigation disclosed that any of these companies or their stockholders or their directors or their owners contributed, and to what extent, if at all, they contributed to the campaign that has just ended.

Mr. DILL. The reason I asked the Senator the question is that I did not hear the Senator mention certain power companies in the Northwest that I think have a connection, and, perhaps, a very close connection, with the General Electric Co., although the connection may be through directors. I wondered as to that.

Mr. NORRIS. Of course, the facts I have given do not touch the question of interlocking directorates, but that is another way of controlling.

Mr. SHIPSTEAD. Mr. President—

Mr. NORRIS. I yield to the Senator from Minnesota.

Mr. SHIPSTEAD. From the list the Senator has read one is inclined to inquire if the Senator knows of any concern manufacturing electric supplies or manufacturing electricity which is not owned by the General Electric Co.

Mr. NORRIS. I have not found any, although there may be some. I wish to state further in connection with the Electric Bond & Share Co. that, considering all its subsidiaries, I take it any independent company which might undertake now, for instance, to lease the Muscle Shoals or to develop any other property would find itself unable to float securities unless it came to the General Electric Co. and utilized their machinery.

Mr. DILL. Does the Senator think that it is possible that any company now in existence could take over this lease without the General Electric Co. having an interest in it?

Mr. NORRIS. I do not know of any.

Mr. SHIPSTEAD. I should like to ask the Senator another question.

The PRESIDENT pro tempore. Does the Senator from Nebraska yield to the Senator from Minnesota?

Mr. NORRIS. I yield.

Mr. SHIPSTEAD. It would be interesting, in the light of the information the Senator has given us, if we could find out who owns the General Electric Co. I have for years heard it stated that that company is what is known as a Morgan concern.

Mr. NORRIS. I understand that it is. I have not offered any evidence of that, because, except as it might be interesting to trace through the Morgan concern other connections, I am not particularly interested. What I want the Senate to understand and the country to know is that no matter where we jump, if we are going to turn over this property or any other property, we are going to jump into the lap of the electric water-power trust.

Mr. JOHNSON of California. Mr. President, to one who holds the views that I hold—the views of a lifetime that have been confirmed with the passing of the years—the discussion that has been indulged here has been singularly interesting and illuminating.

The very distinguished Senator from Alabama [Mr. UNDERWOOD], with his usual clarity and with great emphasis, has presented one side. The earnest Senator from Nebraska [Mr.

NORRIS], with all of his enthusiasm, has presented another. I think fundamentally, Mr. President, this is a question of two warring philosophies of government, not wholly so, perhaps, but as the Senator from Alabama said the other day, two conflicting ideas of what might be done under circumstances such as are presented by the Muscle Shoals proposition; and it is on the fundamental idea thus presented that I reach the conclusion that I have reached in this matter.

It seems to me, sir, without discussing in detail what may be sought in the one case or the other, this is plainly a proposition of whether or not, when the United States Government has expended \$150,000,000 in a project it shall continue with that project for the benefit of the people of the United States.

I do not quarrel with the view that is presented by the Senator from Alabama or the view that is presented by those who advocate his course. I recognize that they are just as earnest and just as honest in the view they present for the turning over of this particular project in the manner that they suggest as we who believe that when the Government itself has expended the people's money it should have been expended for all the people, and that the Government should carry on the enterprise whenever necessary for the benefit of all the people.

I heard the Senator from Alabama say the other day that the Senator from Nebraska was dreaming dreams. Maybe he is right. Perhaps the Senator from Nebraska, in what he asks, is dreaming dreams; but since man emancipated himself, Mr. President, men have been dreaming dreams for man and mankind, and it is the dreaming of these dreams that has marked the mileposts in human progress during all the centuries past.

I can recall historically that Galileo dreamed dreams. He dreamed his dreams, and, though compelled to recant under the threat of torture, his frightened lips yet told the immutable and the unchangeable truth.

Newton dreamed a dream as he lay upon the ground and saw an apple fall. He dreamed a dream that now we all understand.

Columbus dreamed a dream of another world far beyond the oceans that then were known—a dream at which every court scoffed and every courtier laughed. We are here to-day because Columbus dreamed that dream.

The men who landed at Plymouth Rock and those who came to Jamestown dreamed a dream of a new empire and a great, new nation. That dream we of this generation realize in part.

Garrison and Wendell Phillips dreamed a dream—a dream that resulted in one of them being mobbed in New York and another chased by a populace in Boston. Just think of it! But Lincoln brought the realization of that dream.

Roosevelt dreamed a dream of the Panama Canal. To-day it is the greatest engineering feat in all the world.

The Senator from Michigan [Mr. COUZENS] dreamed a dream in the city of Detroit—of Detroit public ownership there. To-day that public ownership exists profitably for the city of Detroit.

Down in the city of Los Angeles a self-educated engineer named Mulholland dreamed a dream that water might be brought for domestic purposes 250 miles, over gorges and canyons and impassable mountains. First he was laughed at. That dream to-day is a realization, and Los Angeles draws its great water supply from the Owens Valley, 250 miles distant.

Some men in the city of San Francisco years ago dreamed a dream when the city was in the grip of a street railroad that wrought its own will as it pleased. They dreamed a dream that San Francisco might operate a municipal road. To-day San Francisco operates that road, operates it on a 5-cent fare, and the municipal road there, in opposition to that privately owned, is operated successfully, prosperously, advantageously.

So it has been, Mr. President, with dreams of real men during all the years. Dream on, you Senator from Nebraska, for your dreams mean but one thing. Your dreams, sir, mean that humanity may benefit, people may prosper, and human beings may be a bit happier.

So the dream of the Senator from Nebraska I can appreciate. I trust he will continue iterating and reiterating. I regret the note of discouragement that I observed the other day in his remarks. Oh, be not discouraged, sir! Never mind the temporary defeat or the temporary disaster. Never mind what ephemeral catastrophe there may seem to be, for dreams such as are yours ultimately will prevail, for the truth prevails. Sometimes it is as dangerous to preach the truth as to enter a

powder magazine with a lighted torch, but, nevertheless, truth yet exists; and all history has taught us, all people's governments have taught us, that whatever may be the check, whatever may be the defeat, whatever the haltings, the heartburnings, and the disappointments, they are but ephemeral, and ultimately, finally, the truth will prevail.

As I listened to some of these gentlemen in the debate I thought that possibly for the first time in our history it was suggested that the Government continue with a project that the Government had begun and upon which it had expended the enormous sum of \$150,000,000. I thought, as I listened to some things that were said here, that the Senator from Nebraska was asking an adventure in a field which never before had been touched governmentally in this land. Then I recalled project after project where we had gone on governmentally in exactly the way that the Senator from Nebraska asks in his substitute that we proceed in the Muscle Shoals matter. We have now under operation, maintained by the Government of the United States, many reclamation projects, many reclamation projects in which we develop power, the United States of America develops power, and the United States Government, through its Reclamation Service, sells that power. We have to-day many such projects, I assert; and in the last bulletin published by the Reclamation Service, the little paper called the New Reclamation Era, is a description of cheap electricity served in the Minidoka reclamation project, which I think is sufficiently interesting to call to the attention of this body.

The Minidoka irrigation project in southern Idaho is known as the "electric project." With power houses on Snake River and a network of transmission lines covering the irrigable area, electric service is available to well-nigh every citizen in town or country.

Available from whom? Why, it would seem from the remarks that have been made upon this floor that it would be an impossibility that it should be available from operation by the United States Government; but here, in a small project in Idaho, sparsely settled, the Government of the United States itself furnishes the electricity, with what result, Mr. President?

I proceed, in order to demonstrate that result, with an article to which I have adverted:

The system now supplies energy to nearly 1,100 farms, or approximately half of all farms on the project, in addition to service furnished to the towns and villages.

Somebody asked, "Are you going to aid the farmer by this measure of yours or are you now seeking to deter or retard him?" In the mere matter of power alone the farmer would be aided immeasurably by what is suggested by the Senator from Nebraska; no less so, indeed, as I read his measure, in the matter of fertilizer, too; but to assert that the farmer, under the power provisions that he seeks to put in force and operation, would receive no benefit simply denies the experience of the Government itself in its own reclamation service.

The story of electricity on the project is told in the following by E. B. Darlington, the project superintendent:

On the Minidoka project electricity has become the servant of the farmer and the rural housewife. Through its help a great deal of the drudgery and fatigue of farm life are eliminated and the farm home becomes a place of comfort, convenience, and good cheer comparable to the city residence. The gloom of the long winter evenings is dispelled by the glow of incandescent lamps with which all the farm buildings may be equipped; and it is no longer necessary to carry a lantern from house to barn to light a precarious path, for a powerful yard light mounted centrally on a pole illuminates the farmstead area.

It is a remarkable sight which is presented at night to the traveler coming down the hills lying to the south of the Minidoka project. The farm lights are so numerous and bright that the entire project area has the appearance of an enormous city, and it is sometimes difficult to pick out the location of even such sizable towns as Burley and Rupert.

The Bureau of Reclamation operates a power house at Minidoka Dam having a present maximum capacity of 7,800 kilowatts, and two small plants at American Falls having a total output of about 1,800 kilowatts. These central stations are connected by transmission lines and current is transmitted at a pressure of 30,000 volts. In summer the greater part of the energy is used in pumping water for irrigation, but the project commercial and domestic load is also handled. In the off-peak season a large block of surplus power is used for heating.

Rural service is furnished mainly by small stock companies, organized and incorporated as mutual power companies, 68 per cent of the connected farms being supplied in this way. Current is taken from

the Government high-potential lines through substations, at which it is transformed to 2,200 volts. A very low rate can be made to the rural organizations because of their assumption of the details of distribution. There are 20 of these mutual power companies, operating over 200 miles of line. Other farms are supplied by lines connected to the system serving the several towns on the project.

Mr. FLETCHER. Mr. President, the Senator is making a very interesting statement, but I wonder if he could tell us about what that power is costing.

Mr. JOHNSON of California. Yes; I am coming to that. I continue the reading:

From October 1, 1923, to October 1, 1924, the rural power companies used 551,888 kilowatt hours of energy at a cost to them of \$11,902.86, or an average of a little over 2 cents per kilowatt hour. The maximum demand was 270 kilowatts, culminating in the month of December. The Unity Light & Power Co.—

Which I understand is a cooperative project of the farmers there—

is the largest rural electric organization on the project, operating 45 miles of line and supplying energy to 174 farms. The maximum use during December, 1923, was 15,600 kilowatt hours. The Rural Electric Co., operating near Rupert, has about 75 farms connected.

The uses of electricity on the farm are many and various. The most general use is for lighting, energy for that purpose being universally demanded wherever service has been obtained. The majority of housewives on connected farms use electric flatirons and washing machines. Many customers also use hot plates, grills, toasters, small motors for pumping stock water and grinding feed, vacuum cleaners, cooking ranges, water heaters, and air or space heaters. Farmers are adding more appliances and taking advantage of the conveniences that electricity affords as fast as they are financially able to buy the equipment.

Several farmers on the project have every modern convenience that the city affords, in addition to the satisfaction of rural life. A typical home of this kind is that of Carl Lipps, living about a half mile west of Rupert. He is a stockholder in the Rural Electric Co.

Mr. Lipps operates a dairy farm of 25 acres, upon which he keeps 32 head of stock. He is now milking 24 cows, most of which are Jerseys. The product of the dairy is sold in Rupert, where Mr. Lipps owns a milk route. His land, stock, and improvements represent an investment of about \$11,000.

The Lipps family lives in a handsome, modern home, conveniently arranged and outfitted with many labor-saving devices. So complete is the electrical equipment that Mr. Lipps says he never has to strike a match. The house, as well as the other farm buildings, is cheerfully lighted by electricity. In winter the rooms are made comfortable by electric heat. Mrs. Lipps cooks on a Westinghouse three-plate electric range, uses an electric washing machine, electric hot pot and flatirons, electric sweeper, and makes the morning waffles by electricity.

Water pressure for bathroom and kitchen is obtained through the Dayton system. A small motor operates a pump which raises water from a well in the cellar to an air cylinder. When the rising water develops sufficient pressure by compression of the air in the cylinder a switch opens and the motor stops. If the pressure drops the switch closes and starts the motor. This automatic control is very satisfactory, according to Mrs. Lipps. A water heater attached to a large boiler makes hot water available when desired.

In the yard a 500-watt arc lamp illuminates the area surrounding the buildings. At the cattle corrals water is raised directly into the drinking troughs by means of a Meyers pump jack, operated by a small motor. This provides comparatively warm water during the coldest weather, and even in summer time the cattle prefer it to the ditch water in the pastures.

The rural power system also serves a number of electrically operated beet dumps at stations along the railroad lines, where sugar beets are loaded for shipment to the Burley and Paul factories of the Amalgamated Sugar Co. A large alfalfa meal mill also takes power from one of the rural lines. The grinding of hay and grain for stock feed at this mill is of great advantage to stock growers and feeders in the neighborhood. Many thousand sheep and cattle are fed on adjoining farms during the winter.

Poultrymen find electric service of benefit in their business. Many of them have become convinced that by making the short winter day longer for the hen, egg production is considerably increased; and it is a very common sight to see electric lights in the chicken houses. Many farmers are also using electric incubators and brooders.

Many other uses for power are found about the farms. Electric motors are used for feed grinding, ensilage cutting, churning, turning the grindstone and the circular saw, operation of grain fans and blacksmith blowers, running cream separators, sewing machines, and

house fans. All these processes can be and are cheaply and efficiently carried out by Minidoka project water users with the help of electricity.

In addition to this project, there are many others. The Senator from Nebraska may be familiar with what is known as the Guernsey project. I am this morning informed by the gentleman in charge of the Reclamation Service that on the Guernsey project power is sold to municipalities within the project, and a few municipalities that are not within the proj-

ect, and to others as well, and that it is utilized for commercial and domestic purposes.

On some eight of the irrigation projects power is developed by the project and sold to farmers or to adjoining municipalities. A list of them I have here in the report of the Reclamation Service, and I ask permission to insert that as a part of my remarks.

The PRESIDENT pro tempore. Is there objection?

There being no objection, the matter was ordered to be printed in the Record, as follows:

Power and pumping—Power plants operated on Bureau of Reclamation projects during the fiscal year 1923-24.

Project	Name of plant	Type of plant	Station capacity	Number of units	Head	First cost of plant	Cost of operation	Estimated depreciation
			<i>Kw-a</i>		<i>Feet</i>			
Boise	Boise River ¹	Hydroelectric	1,875	3	30	\$167,905.37	\$12,183.61	\$5,540.00
Minidoka	Minidoka	do	7,000	5	48.21	455,317.40	22,771.25	15,012.00
Do ²	American Falls (2 plants)	do	1,540	3	36 and 45	75,000.00	3,535.95	14,450.00
Newlands	Lahontan	do	1,875	3	110	141,886.01	6,272.00	5,000.00
Williston	Williston	Steam-electric	1,150	4		175,000.00	61,291.23	3,000.00
North Platte	Lingle	Hydroelectric	750	2	105	98,998.50	22,742.08	16,800.00
Okanogan	Power Plant No. 1 ³	do	187	1	108	11,923.44		
	Power Plant No. 2 ³	do	187	1	55	13,931.42		
Rio Grande	Elephant Butte No. 2	do	187	1	147.55	8,440.50	2,140.00	253.00
Shoshone	Shoshone	do	2,000	2	120-220	565,454.00	9,466.68	14,748.00
Strawberry Valley	Spanish Fork	do	1,000	2	123.5	60,724.80	6,489.32	3,033.72
Yakima Storage	Tieton No. 1 ⁴	do	270	2	45	40,000.00		11,510.88
	Tieton No. 2	do	1,000	2	74	76,758.16	9,644.50	34,436.50
Yakima Sunnyside	Rocky Ford	do	187	1	73	23,000.00	2,065.00	1,056.80
Riverton	Pilot Butte	do	1,000	1	90-106	(⁵)		

Project	Name of plant	Cost per kilowatt hour exclusive of depreciation	Output	Distribution of power generated				Gross power sales
				Sold to consumers	Used for irrigation purposes	Used for other purposes	Losses	
			<i>Kilowatt hours</i>	<i>Kilowatt hours</i>	<i>Kilowatt hours</i>	<i>Kilowatt hours</i>	<i>Kilowatt hours</i>	
Boise	Boise River ¹	\$0.0020874	5,836,028	5,725,035		110,993		\$11,000.00
Minidoka	Minidoka	.0004704	48,400,426	20,464,920	24,260,980	773,430	2,901,096	109,808.00
Newlands	Lahontan	.00108	5,796,200	5,709,275	33,400	53,525		18,783.18
Williston	Williston	.00325	1,886,487	1,085,430	316,586	383,535	100,936	58,536.33
North Platte	Lingle	.00794	2,862,845	1,162,580		1,155,590	544,675	34,026.85
Rio Grande	Elephant Butte No. 2	.0903	23,700	625		23,075		50.00
Shoshone	Shoshone	.0068	1,645,666	215,902		1,068,167	361,597	8,114.63
Strawberry Valley	Spanish Fork	.0115	1,437,000	1,205,494		157,121	74,385	24,400.65
Yakima Storage	Tieton No. 2	.00250	3,850,000			3,724,000	126,000	
Yakima Sunnyside	Rocky Ford	.00286	720,300		720,300			

¹ Under a contract between the United States and the Idaho Power Co., dated Apr. 1, 1923, the output of this plant is delivered to the company on an exchange basis.

² Plant acquired but not operated during fiscal year 1923-24. Operation and maintenance shown is for repair to plant.

³ Not operated during fiscal year 1923-24.

⁴ Book value at present \$1,859.65.

⁵ This amount includes cost of transmission lines and transformers to value of \$9,000.

⁶ Estimated \$124,200. Not completed.

Mr. JOHNSON of California. I omit the Salt River project, because I am told there has been some recent disposition of it. One other thing, Mr. President. The idea that it is an impossibility for a political subdivision or a municipality to do that which constitutes a monopoly in the public service as well as it can be done by an individual or a specific private corporation is an idea to which I will not for one instant subscribe. It is true that at times in municipal operations there are errors that are grave. It is true, Mr. President, that at times in municipal operation political considerations may control. It is true that there are other mistakes, many and manifold, in municipal operation; nevertheless, wherever it has been honestly administered, municipal operation has no reason to feel that it has not equalled private operation, and certainly where the opportunity exists for comparison it has been of infinitely greater benefit to the people served.

Just adjoining us is Ontario. There the great Province itself has undertaken to do for itself, by public enterprise, that which the Senator from Nebraska would have done under his measure concerning Muscle Shoals. I read just a paragraph from an article recently appearing in the Toronto Globe, one of Canada's chief newspapers, concerning the Ontario Power Commission, which there manufactures, sells, and administers power for the Province of Ontario. The article is as follows:

In benefit to the people, hydroelectric enterprise stands out among the first, and perhaps as the very first, of the achievements recorded in Ontario since confederation. It has immensely increased the comfort of Ontario homes, lessened the drudgery of Ontario housewives, improved and cheapened transportation and the lighting of the streets, and given a tremendous impulse to Ontario industry.

For all this the credit must be given to Sir Adam Beck more than to any other man. He has made enemies, and the people of Ontario can fairly say that they love him for the enemies he has made.

We refer especially to the enemies of public ownership, not only in Ontario but all over Canada and the United States.

They hate the hydroelectric, not for its faults but for its merits. They hate it because it has rescued the people of Ontario from the greed of gain which has laid heavy burdens upon many of the communities in the United States.

They would be pleased to see the hydroelectric destroyed, weakened, or discredited, so that they might share in the plunder and prevent the example of public ownership from spreading.

Is it asserted that what the Province of Ontario can do the Government of the United States can not do? I have not so poor an opinion of my Government or its administration as for an instant to concede that they can not accomplish what the Province immediately adjoining us has accomplished.

After all, Mr. President, this is not in its initial presentation a matter of governmental ownership or governmental control at all. Here in the first instance is the expenditure of a tremendous, an enormous sum, by the Government, and the question thus becomes not one first of Government ownership.

The question is, after the United States Government has expended \$150,000,000, must the United States Government, upon the plea that has been made, turn over the possibilities which lie in the power that may be developed there, and also in the matter of fertilizer, to a private corporation or a private individual, because it is too weak or too dishonest to proceed with what it has thus inaugurated. That, after all, is the

question presented, rather than one of Government ownership, or Government maintenance, or Government control.

I submit, Mr. President, under the peculiar circumstances, there should be little difficulty in the solution of the problem, for, as was well said by the Senator from Missouri [Mr. REED] yesterday, these gentlemen who inveigh most strongly against Government control or Government operation provide for it as the alternative in the very measure which they present. So, after all, it comes back to whether the Government shall proceed with what the Government has inaugurated.

The possibilities of electrical power no man can foresee at this time. The possibilities in dealing with the everyday, hum-drum life of the ordinary citizen none can foretell. What it may do for the farm, what it may do for the housewife, is eloquently depicted in this statement about the Idaho project from which I have read. What it may do for these States where this power is generated requires no fervid imagination to conjure up.

So, with the expenditure of the money by the Government, \$150,000,000 or thereabouts, with a desire to preserve that which belongs to them for all the people, aye, with a desire to see the realization of the dream of the Senator from Nebraska concerning future generations, I trust that the project he presents may be adopted by the Senate.

Mr. NORRIS. Mr. President, I am reminded by the Senator from California to give notice that some time to-morrow, when I can obtain the floor, I expect to explain to the Senate, in a rather brief way, the system of the electrical development which has taken place in Ontario, to which the Senator from California has so well referred.

Mr. HEFLIN. Mr. President, it is evident to my mind that there is an organized filibuster against final action on the Muscle Shoals proposition. Some Senators who supported the Ford offer, which provided for a hundred-year lease, are shying off from the Underwood bill, which is a better bill with regard to the fertilizer provision. It provides for a lease of 50 years, and the Government will get about thirty or forty million dollars more out of it than it would have gotten out of the Ford offer.

I imagine that some of those Senators will have an interesting time explaining to their people just why they supported the Ford offer, which provided for a hundred-year lease and which would have paid the Government less, and why they refuse to support the Underwood substitute, providing for a 50-year lease, and which will pay the Government thirty or forty million dollars more.

I was interested in that part of the speech of the Senator from California in which he spoke about dreaming dreams. If the dream of the Senator from Nebraska shall come true, this country will be cursed with the most gigantic power trust that ever afflicted a free people.

The Senator from Nebraska is in favor of a gigantic power scheme. He frequently refers to it as such, a gigantic power scheme. The Senator from Nebraska does not want to manufacture fertilizer at Muscle Shoals. He comes into the Senate and quotes the testimony of Major Burns, who said it can not be produced at a profit at Muscle Shoals. The Senator from Nebraska is not taking a course that will benefit the farmers of the country. His course will benefit the Power Trust which is rapidly being formed in the United States.

Mr. President, I think we ought to keep faith with the American farmer. When this country was involved in war and we were hard pressed for nitrates, the Government went to Muscle Shoals and built this project with the understanding that part of the power was to be used to make fertilizer in time of peace and nitrates in time of war. I am going to refer to the State of Nebraska and I hope the Senator from Nebraska will be here when I do.

Mr. NORRIS. I am not leaving the Chamber.

Mr. HEFLIN. That idea has been with us all the time until now some Senators seem to be getting cold feet upon the proposition. They are shying off and following the Senator from Nebraska, which means a power scheme and a power scheme only. We may just as well make up our minds to that fact. The Senator from Nebraska has been candid. He does not want fertilizer manufactured there. He wants to supply power, that is all. The farmer has more friends upon the hustings and fewer friends afterwards when it comes to action in his behalf than any class of people in the country. There are many men who, in noisy fashion, proclaim their friendship for the farmers when they are running for office, and some of them put them out of their memories just as soon as they get into this Chamber. Some of these days the intelligent farmers are going to trace the record of Senators and

keep tab upon them and know exactly what they are doing regarding matters that vitally affect agriculture.

There is more misinformation injected into this debate than any debate I think I have ever listened to. Yesterday my good friend from Tennessee [Mr. McKELLAR] in the course of an interruption of the Senator from New York [Mr. CORLAND], solemnly got up and read from a speech of my colleague [Mr. UNDERWOOD], which he made when a member of the House, as follows:

Mr. McKELLAR. In 1912, when the Coosa power act was being debated in the House—and, by the way, that was a bill by which the Alabama Power Co. was given the right to dam the Coosa River in Alabama at the Coosa Shoals—the Senator from Alabama [Mr. UNDERWOOD] and I were both in the House, and here is what was said by the Senator from Alabama on that subject:

"Now, what they propose to do—"

That is, the Alabama Power Co.—

"is to spend \$1,600,000 to help make this river navigable and allow the Government to use all the water it needs for navigable purposes and then take the balance of the power created, not for the purpose of selling electricity for light or heat, but for the purpose of manufacturing cyanamide, or lime nitrogen, and fertilizer for the benefit of the farmers of Alabama and of the South."

That ends the quotation from the speech of my colleague which he made in the House, and then the Senator from Tennessee proceeded:

In 1912 the Alabama Power Co. was given the Coosa power site by the Congress on the argument that that company was going to manufacture nitrates for the use of the farmers of Alabama and the South. I have never heard of that company manufacturing a pound of fertilizer. It is selling the power, just as it said it would not do in that case. So I want to say to the Senator that sections 3 and 4, which require probably this very company to make nitrates for farmers, do not appeal to me very much. The same argument was used 12 or nearly 13 years ago—that the Alabama Power Co., if given this great grant of power on the Coosa River in Alabama, by which 60,000 horsepower was generated, were going to make fertilizers for the farmers of the South. It has not been done.

Mr. President, my good friend from Tennessee got himself all mixed up. The Alabama Power Co. was not in the transaction at all. I engineered the passage of the bill through the House that granted the right to build a dam at Lock 18 on the Coosa River, and that bill was vetoed by President Taft.

In 1907 the right was granted as to Lock 12, to which the Senator from Tennessee referred, and the dam was completed about 1912. That was entirely a power proposition. It never was suggested that fertilizer would be manufactured there. The Senator from Tennessee is entirely mistaken in his premises. Lock 18 was the dam to which the Senator from Alabama [Mr. UNDERWOOD] referred in his speech in the House, and the American Cyanamid Co., and not the Alabama Power Co., was the one that was going to make fertilizer at that dam. My good friend from Tennessee is wrong upon this question. But it is like a great many other arguments that have been made in this Chamber by Senators since this debate was begun.

As the Senator from California [Mr. JOHNSON] talked about the Senator from Nebraska [Mr. NORRIS] dreaming dreams I thought of a dream that the Senator from Nebraska had on another occasion regarding the Platte River. When I was campaigning in Wyoming recently in the presidential campaign I crossed the Platte River. I saw little spots of fertile soil producing as fine alfalfa as ever grew out of the ground. I said, "Why do you not grow more alfalfa here? The soil is rich; all you need is water. Why do you not irrigate this land with water from the Platte River?" What do you suppose was the sad and dumb-founding reply? "They will not let us use water out of the river to irrigate these lands through which it flows. Nebraska has the irrigation rights. They irrigate lands in Nebraska with water out of the Platte River, but they will not permit the farmers of Wyoming to irrigate land in Wyoming." So, while the Senator from Nebraska is dreaming dreams here he is following his old trade. He was dreaming dreams back there when they took the water rights away from the people of Wyoming, a sovereign State, and citizens along its shores are not now allowed to dip out a gallon of water from that river for irrigation purposes, although it flows through the State of Wyoming.

The Senator from Nebraska [Mr. NORRIS] must restore to Wyoming that which he has wrongfully taken from her and make amends for the outrage perpetrated upon the citizens of that State before he can in good grace stand here and accuse

other Senators of trying to put something over on somebody else.

So, as my friends the two Senators from Nebraska are day by day trying to tell us how to conduct ourselves and handle this matter so as to be absolutely fair and just to all concerned, I suggest to them that they undream that dreadful dream that they dreamed on the Platte River in Wyoming. Mr. President, I am told that the enterprising women in Wyoming who live along this river sometimes dare to dip a little water out of it for use "upon the washing day," and immediately complaint is made and a howl of protest goes up in Nebraska. Oh, this Nebraska crowd wants everything! If they could they would cut a mighty ditch across the country and turn the Tennessee River into Nebraska and move Muscle Shoals along with it. Mr. President, those of us on the Committee on Agriculture and Forestry who attended the hearings day after day know that the big power companies who had bids pending were friendly to the bill of the Senator from Nebraska and opposed to the Ford offer. I made several of them say they favored his bill rather than the Ford proposition. I asked, "Do you not think this could be done under the Ford proposition?" They would say, "No, sir." "Had you rather have the Norris bill?" "Yes, sir." They were just as friendly as they could be. They felt perfectly at home in the Senator's office. They spent a great deal of time in there and when the committee met we found them in there and frequently they were in friendly conversation with the Senator. They were billing and cooing together, and now the Senator stands up here and talks about some big power concern backing our bill, the Underwood bill, and opposing his bill. They are for his bill. We can see their influence felt around the Chamber every day. They are for his bill; of course they are.

Let me read a little from the testimony. He talks about the Alabama Power Co. here when the fact is that company was not in sympathy with the bill of the Senator from Nebraska. He asked Mr. Yates a question and Mr. Yates answered in friendly fashion, and Mr. Yates said this about himself:

I am vice president and general manager of the Alabama Power Co., living in Birmingham, Ala. I represent the associated power companies of the Southeast with respect to the proposals that they have made on Muscle Shoals for the use of the power and the manufacture of fertilizer.

Then the chairman of the committee, the Senator from Nebraska, said to him:

Some of us think that here at Muscle Shoals is one way and we think a very effective way would be for the Government to retain title down there with some board or official that may be provided by law, who will, in addition to the power to regulate provided by law in the various States, make the Government, so to speak, a sort of partner. The Government will own the business. * * *

Mr. YATES. I would say that we do not see where we could have any objection to that.

Things like that happened all the way through the hearings. They were comforting the Senator from Nebraska. They were going right along with him. They were aiding him, it seemed to me, in every way they could, and they were all fighting the Ford offer. Why? Because the Ford offer provided for the making of fertilizer.

Senators, let us not deceive ourselves. We may deceive some of the people. The whole bone of contention in this fight is making fertilizer at Muscle Shoals. The Fertilizer Trust is encamped at this Capitol. It has already issued a bulletin calling on its forces to fight the Underwood bill and they are saying that it is as objectionable to them as was the Ford offer. That is what I said in the outset. I said the Ford bill was fought by them because they wanted to prevent the making of fertilizer there. I hold in my hand a letter from the American Farm Bureau Federation of Washington which indorses the principle of the Underwood bill and warns us against those who are trying to use the Muscle Shoals Dam purely for power purposes.

We heard the Senator from Missouri [Mr. REED] on yesterday. He does not know exactly whether we can make fertilizer down there or not. It is the most inviting situation for the making of fertilizer I think in the world. With this water power nearly ready to be used, plant No. 2 has already shown that it can make the stuff, and the Cyanamid Co. of Canada is making money in the manufacture of the very same fertilizer material and selling it at a profit in the United States.

I want to read to Senators what an expert in Germany, Doctor Caro, said about this Muscle Shoals proposition. He said:

Far more dangerous [than the competition of Chilean nitrate] appears to be the possibility of competition with artificially fixed nitrogenous fertilizers produced in foreign countries. The largest of these [cyanamide] plants is located in the United States, in Alabama. Its situation is most excellent, and it is connected with the ocean by means of the [Tennessee] river which has been made navigable. It is situated at a source of almost constant water power amounting to 400,000 horsepower, and is right in the midst of a locality where all the raw materials for the lime nitrogen cyanamide process are present at the highest purity and at the lowest prices. Near by are the inexhaustible deposits of high per cent phosphate rock. The possibility, therefore, exists of * * * producing cheaply * * * an ammonium phosphate containing roughly 45 per cent of water-soluble phosphoric acid and 20 per cent nitrogen.

Mr. President, this German expert does not consider that Chilean nitrates are as much to be dreaded as a competitor as the fertilizer plant at Muscle Shoals, making nitrates for the Government in time of war and fertilizer for the farmers in time of peace.

I hear Senators now and then ask, "Are we just going to give that thing down there away?" Is that the way Senators refer to a plant that is about to be dedicated to the use of the oppressed farmers of America? Do Senators call it giving it away, when we are going to use it in benefiting the farmers of the country?

The farmers of America greatly need this 40,000 tons of fixed nitrogen annually? That would amount to 250,000 tons of the kind of fertilizer which we get from Chile; it would amount to exactly the quantity that comes from Chile; I mean that which is actually used upon the farm. So, as I stated the other day, in 11 years we should save to the people of this country from the amount which would otherwise be paid to Chile the whole cost of building at Muscle Shoals the dam, power plants, nitrate plants, and everything else; and in the 50 years we would save about four times the amount of the whole cost of the dam and all the other improvements at Muscle Shoals. That does not look like giving it away, does it?

The Senator from Missouri [Mr. REED] said that the Underwood substitute contains a Government-operation provision, and that is true. He also undertook to show that we were as much committed to the doctrine of Government ownership and operation as is the Senator from Nebraska [Mr. NORRIS]. That can not be true, because at the very outset we are trying to avoid that. We are seeking to lease the plant to a private concern; we are seeking to have it operated by private individuals for the benefit of American farmers in time of peace and for the benefit of the Government in time of war.

However, the substitute provides that if we can not get somebody to bid for the plant, then, of course, rather than let it stand idle we would have the Government operate it. That is all right and proper; but, Mr. President, that is the alternative, or last resort, with us. If we can have somebody bid for Muscle Shoals we want to have the plant operated in that way, and that is what we have provided for in the Underwood substitute; but if nobody will bid, as I said a moment ago, rather than have this great property stand unused and idle, we shall have the Government operate it.

The Senator from Nebraska, however, takes the step in the outset to put the Government into socialism. His proposition would be another step along that line. Whenever the Government commits itself to operate a great project like this, members of the Socialist Party clap their hands for joy and say, "They are coming our way." Mr. President, I am opposed to that.

Individual enterprise and effort and individual initiative and individual ownership of some tangible thing constitute in part the proud birthright of the real American. The incentive to achieve something in your own name and to have and exercise ownership over some kind of property is an inspiring influence in the life of everyone worth while. I am opposed to putting the Government into competition with its citizens. It is the socialistic doctrine that some Senators are encouraging. I imagine that some of them do not fully realize just what they are doing with regard to that; nevertheless, they are encouraging the socialistic idea in our country.

It will be recalled by Senators that this whole project at Muscle Shoals was recommended to be junked after there had been a great deal of work done on the dam. The cofferdams were neglected and were washing away when the Government was finally induced to take up the project again. If Henry Ford never does anything else of value for Muscle Shoals and for the country with regard to this project, he did a great service when he submitted a bid for Muscle Shoals, for that

action on his part caused the Government to go on with that work.

Mr. President, I called attention yesterday to the price at which electric power is sold in Toledo, Ohio. I wish Senators who are informed on the subject of rates would refer to some of the cities where the price charged is higher than it is in cities which have been frequently mentioned during the debate.

I was told by a lady who formerly lived in Toledo that 8 cents per kilowatt-hour is charged in that city, which for 40 kilowatts would be \$3.20 a month. That is about as high a rate as I know anything about, and yet the community of Toledo, she told me, owned the plant, that it belongs to the citizens there. I take it that it costs more to produce the power at some points than at others; it costs more to transmit it to some points far off than to other points near by; I am not informed in detail as to that; but I suggest Toledo to those who frequently refer to Cleveland and Omaha and other places where the community owns the plant.

Mr. HOWELL. Mr. President—

The PRESIDING OFFICER (Mr. JONES of Washington in the chair). Does the Senator from Alabama yield to the Senator from Nebraska?

Mr. HEFLIN. I yield.

Mr. HOWELL. I wish to say that there is no municipal plant operating in Toledo, Ohio.

Mr. HEFLIN. I will ask the Senator who owns the plant there?

Mr. HOWELL. It is owned by the Toledo Edison Co., and a straight line meter rate of 8 cents a kilowatt-hour is charged, as stated by the Senator.

Mr. HEFLIN. I thank the Senator for the information. The lady who spoke to me said that the community owned the plant.

Mr. HOWELL. I have here the National Electric Light Association Rate Book, which states whether the plants are publicly owned or privately owned, and the names of the companies which are operating the privately owned plants. According to this volume, there is no publicly owned plant at Toledo, Ohio.

Mr. HEFLIN. I will inquire if the rate book to which the Senator refers is a recent work on the subject?

Mr. HOWELL. Yes; it is the rate book for 1924.

Mr. HEFLIN. Is there more than one plant at Toledo?

Mr. HOWELL. There is just one plant at Toledo.

Mr. HEFLIN. Well, my informant was mistaken about that; but the rate charged is, as I have stated, 8 cents per kilowatt hour.

Now, Mr. President, I wish to read from a letter addressed to me by Mr. Reid, of the American Farm Bureau Federation. He says:

MY DEAR SENATOR HEFLIN: The American Farm Bureau Federation is not, and never has been, interested in Muscle Shoals as a water-power development solely for the production of electric power for public utilities distribution to a favored locality. The primary interest of the American farmers in Muscle Shoals is cheaper fertilizer materials, a result that will benefit the entire Nation. At last the group who have advocated Government operation of the Muscle Shoals development have been forced to show their hand and admit that their main purpose is to operate Muscle Shoals for power production and that they are not deeply interested in the production of fertilizer.

This attitude taken by those advocating Government operation confirms and strengthens the position the American Farm Bureau has taken in advocating the private operation of Muscle Shoals under certain restrictions that protect the public interest.

These restrictions are: The manufacture of a minimum of 40,000 tons of nitrogen annually; the limitation of profit of fertilizer manufacture to a maximum of 8 per cent; the complete development of the entire Muscle Shoals project at this time; the use of Federal money at 4 per cent interest in constructing the development; the adoption of the amortization plan for returning capital investment.

To secure the economic production of fertilizer materials at Muscle Shoals has been the main purpose of the American Farm Bureau Federation in advocating the Muscle Shoals development. This can be best accomplished by private operation under suitable regulation, and is not guaranteed to us by those advocating Government operation of the Muscle Shoals development.

Because of the turn that the Muscle Shoals controversy has taken in the last few days it becomes necessary for us to again call upon the friends of the fertilizer-using farmers in the United States Senate to give to us the last chance we may have to secure cheap fertilizer materials from Muscle Shoals by voting to give the authority to have this plant leased for private operation in the manufacture of fertilizer materials, and if no such offer is forthcoming that the same restric-

tions and regulations shall apply to Government operation of Muscle Shoals as we are insisting shall apply to any lease for private operation.

Very truly yours,

AMERICAN FARM BUREAU FEDERATION,
By E. B. REID,
Acting Washington Representative.

Mr. President, there is no doubt in my mind that most of the farmers of the South generally are in favor of the Underwood amendment, and practically all of them will be in favor of it when they understand it, because it carries a strict guaranty of 40,000 tons of fixed nitrogen a year, which is the equivalent of the nitrogen coming from Chile which is used on the farms of the country.

Let me say in conclusion that the Underwood substitute as amended is an improvement on the Ford bill in this particular, because it requires the fixed nitrogen to be made. It does not say "if practicable" or "upon demand." It compels the production of 40,000 tons a year; it compels the company to make that much, and it may make more, but it can not sell it for more than 8 per cent profit on the cost of production. Senators, it seems to me that the farmers' interests are well safeguarded.

It looks to me like the best opportunity he has ever had to obtain fertilizer at a low price. It looks to me like the greatest instrumentality ever offered to beat down the price of fertilizer in the United States and free our farmers from the clutches of the fertilizer trust. It does away with the objection of the 100-year lease, because it cuts that half in two. It pays the Government, as I said, between thirty and forty million dollars more than the Ford offer would have paid and makes it a certainty that fertilizer will be manufactured in time of peace and nitrates made in time of war.

Some of those who advocate the bill of the Senator from Nebraska are paying but little attention even to nitrates for war purposes and no attention at all to nitrates for farm purposes in time of peace.

I want to say this to the Senate before I sit down:

Our farmers have passed through the worst deflation panic ever foisted upon a free people. They were robbed, literally robbed, by that panic. They have not yet recovered from its heinous effect. I talked to farmers in the West in October last who had everything they had mortgaged—not only their real estate but their personal effects. They are hard pressed now. I made a speech at Cheyenne, Wyo., and I talked about how the cattlemen were robbed during that deflation panic. After my speech a gentleman came up and asked me if I saw a bunch of cattle just out of the city as I came into Cheyenne from Lusk, Wyo. I told him I did. He said: "I own them. I can not borrow a dollar on them to-day, and I can not sell them at a profit." So, Mr. President, our farmers are still hampered and hurt by disturbing conditions, and here is an opportunity to do something for the American farmer—something worth while. Will you do it?

I do not want these big power concerns to get Muscle Shoals. I know what they are doing. They are back of this Norris scheme as surely as you live and God reigns. They do not think it is going to be adopted finally, but they will hold it and fight behind it in order to keep disposition from being made of this great power site in the interest of the American farmer. If the Underwood bill is passed we will make fertilizer at Muscle Shoals, and they know it; and all of those who say it can not be made there, if they thought that was true would not oppose this bill. They know it can be made, however; and they know that when the Government announces the cost of production of fertilizer, or the private individual making it there, and that price is put before the American farmer, he will then see what an exorbitant price he has been paying all along, and he will at last realize how he has been robbed of millions on fertilizer, and then fertilizer prices the country over will have to come down.

Why, Mr. President, the cutting in half of the price of fertilizer would benefit my State at least \$10,000,000 a year. It would benefit the State of North Carolina \$20,000,000 a year. It would benefit South Carolina \$25,000,000 a year; Georgia, \$15,000,000; and Texas, about \$20,000,000 a year if you cut the price in half. Here is an opportunity to take a step in the right direction; and I trust that the Senate will permit this bill for the benefit of the farmer to go through, and let us show them by our votes that we are going to use this Muscle Shoals project in part in serving the farmers of America. Let us resist the influence of the big power companies and show the farmer that he has enough friends in the United States to do something of value for him. And yet Senators who oppose using this power in part for the benefit of the American

farmer talk for hours about the "tremendous power possibilities of the Tennessee Valley."

Why, Mr. President [Mr. JONES of Washington in the chair], I dare say there are more power possibilities in your State of Washington than there are in the five or six Southern States nearest Muscle Shoals. There are at least 9,000,000 horsepower possibilities in the State of Washington alone. You would judge from hearing some of these Senators speak that we were now about to dispose of the last bit of horsepower there is in the world, and they moan when they say, "You are not going to give it away, are you?" Give it away! Why, Mr. President, we can not dedicate it to a better cause than to the service of the distressed farmers of America. And deep down in their hearts they would rejoice to find that there were enough Senators here who had their interest in mind to pass this bill. It will free us from dependence upon Chile for nitrates in time of war and free our farmers from dependence upon Chile for nitrates in time of peace.

You who talk about building up American industry and enterprise, here is an opportunity to show that friendship. Here is an opportunity to break the chain that binds us in bondage to Chile for our nitrate supply in time of war and our nitrates for fertilizer in time of peace. These are the noble purposes for which we seek to use a part of the power at Muscle Shoals under the Underwood bill. Senators, could we put it to a nobler purpose? I do not think we could.

The PRESIDING OFFICER. The question is on the amendment proposed by the Senator from Montana [Mr. WALSH] to the substitute of the Senator from Alabama [Mr. UNDERWOOD]. Upon that question the yeas and nays have been ordered.

Mr. HOWELL. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The Secretary will call the roll.

The roll was called, and the following Senators answered to their names:

Ashurst	Fletcher	McKellar	Sheppard
Bayard	Frazier	McKinley	Shipstead
Borah	George	McNary	Smoot
Brookhart	Gerry	Mayfield	Spencer
Broussard	Glass	Means	Stanfield
Bruce	Gooding	Metcalf	Stanley
Bursum	Greene	Moses	Sterling
Butler	Hale	Neely	Swanson
Capper	Harris	Norbeck	Trammell
Caraway	Harrison	Norris	Underwood
Copeland	Heflin	Oddie	Wadsworth
Cummins	Howell	Overman	Walsh, Mass.
Curtis	Johnson, Calif.	Pepper	Walsh, Mont.
Dial	Jones, N. Mex.	Pittman	Warren
Dill	Jones, Wash.	Ralston	Watson
Ernst	Kendrick	Ransdell	Weller
Fernald	Ladd	Reed, Mo.	Wheeler
Ferris	La Follette	Reed, Pa.	Willis

Mr. WILLIS. I desire to announce that my colleague [Mr. Fess] is unavoidably detained from the Senate at this time by important business.

The PRESIDING OFFICER. Seventy-two Senators have answered to their names. A quorum is present.

Mr. BORAH. Mr. President, there is such a contrariety of opinion about what the real effect of the pending amendment would be that, without going into another extended debate on it, I would like to ask the Senator from Montana just what he intends to accomplish by it. Is he endeavoring to shear the State public utilities commissions of any of their powers?

Mr. WALSH of Montana. No. The amendment provides, in substance, exactly what is provided by section 10 of the Underwood amendment. It reposes in the local authorities the power to regulate the rates, but it then provides that in case there is no local power regulating rates or service, or if the powers granted are not as comprehensive as are those provided in the amendment, then the commission created by the water power act shall act and regulate the rates.

In this particular instance we are told that Alabama has a regulatory statute and a proper commission, but, of course, the Legislature of Alabama may repeal that statute at any time. That is covered in section 10 of the amendment. Section 11 of the amendment deals with the subject of the passage of power in interstate commerce, and in that case, in the same way, the rates are to be regulated by the local authorities. The necessity of having the rates uniform is obvious to everyone, because it would be next to an impossibility to operate under a system under which one rate would be charged in the State of Tennessee, for instance, and another in the State of Kentucky. In a case of that character the Federal authority would operate.

In addition to that, the amendment provides for the supervision of the issuance of securities by the companies handling the power. There is no provision of that character in the Underwood amendment.

Mr. BORAH. If at the time of the passage of the bill, if it should become a law, the State authorities had not provided for a public utilities commission, and they should provide for one afterward, it would be permitted to exercise the power of regulation?

Mr. WALSH of Montana. The amendment provides that whenever such a commission shall be provided, then the jurisdiction of the water-power commission shall cease.

Mr. UNDERWOOD. Mr. President, the difference between the Senator from Montana and myself in regard to his amendment is that he does not make it applicable to the corporation. If the President should fail to obtain a lessee, it is provided that a public corporation shall be created, and the Senator's amendment would leave that corporation without the regulatory powers of the commission. There would have been no dispute between the Senator and myself if he had extended his amendment far enough to cover the corporation, but without covering the governmental corporation I am not in favor of it.

Mr. WALSH of Montana. Mr. President, I want to supplement what the Senator from Alabama has said. The provisions of section 10 of the Underwood amendment appear to subject the corporation, the creation of which is provided for in the bill, to the same regulatory authority; that is, the local authorities.

It is my view that if the plant should be operated by the corporation the creation of which is provided for in the bill, that Federal corporation, whose affairs are to be conducted by a board of trustees of which the Secretary of War would be the chairman, and the other four members of which are to be appointed by the President of the United States, should not be subject to the control of the local authorities. That board itself would be a regulatory authority, and the Federal corporation, having no purpose whatever to make money out of the operation, should not be made subject to regulation the same as a private corporation, which exists solely for the purpose of gain.

The PRESIDING OFFICER. The question is on agreeing to the amendment proposed by the Senator from Montana [Mr. WALSH] to the substitute offered by the Senator from Alabama [Mr. UNDERWOOD]. The Secretary will read the amendment to the amendment.

The READING CLERK. The Senator from Montana proposes to strike out section 10 of the substitute submitted by the Senator from Alabama and in lieu thereof to insert:

SEC. 10. That as a condition of any lease entered into under the provisions of this act every lessee hereunder which is a public-service corporation, or a person, association, or corporation developing, transmitting, or distributing power under the lessee, either immediately or otherwise, for sale or use in public service, shall abide by such reasonable regulation of the services to be rendered to customers or consumers of power, and of rates and charges of payment therefor, as may from time to time be prescribed by any duly constituted agency of the State in which the service is rendered or the rate charged. That in case of the development, transmission, or distribution, or use in public service of power by any lessee hereunder or by its customer engaged in public service within a State which has not authorized and empowered a commission or other agency or agencies within said State to regulate and control the services to be rendered by such lessee or by its customer engaged in public service, or the rates and charges of payment therefor, or the amount or character of securities to be issued by any of said parties, it is agreed as a condition of such lease that jurisdiction is hereby conferred upon the commission created by the act of Congress approved June 10, 1920, upon complaint of any person aggrieved or upon its own initiative, to exercise such regulation and control until such time as the State shall have provided a commission or other authority for such regulation and control: *Provided*, That the jurisdiction of the commission shall cease and determine as to each specific matter of regulation and control prescribed in this section as soon as the State shall have provided a commission or other authority for the regulation and control of that specific matter.

SEC. 11. That when said power or any part thereof shall enter into interstate or foreign commerce the rates charged and the service rendered by any such lessee, or by any subsidiary corporation the stock of which is owned or controlled directly or indirectly by such lessee, or by any person, corporation, or association purchasing power from such lessee for sale and distribution or use in public service shall be reasonable, nondiscriminatory, and just to the customer, and all unreasonable, discriminatory, and unjust rates or services are hereby prohibited and declared to be unlawful; and whenever any of the States directly concerned has not provided a commission or other authority to enforce the requirements of this section within such State or to regulate and control the amount and character of securities to be issued by any of such parties, or such States are unable to agree through their properly constituted authorities on the services to be

rendered or on the rates or charges of payment therefor, or on the amount or character of securities to be issued by any of said parties, jurisdiction is hereby conferred upon the said commission, upon complaint of any person aggrieved, upon the request of any State concerned, or upon its own initiative, to enforce the provisions of this section to regulate and control so much of the services rendered and of the rates and charges of payment therefor as constitute interstate or foreign commerce, and to regulate the issuance of securities by the parties included within this section; and securities issued by the lessee subject to such regulations shall be allowed only for the bona fide purpose of financing and conducting the business of such lessee.

The administration of the provisions of this section, so far as applicable, shall be according to the procedure and practice in fixing and regulating the rates, charges, and practices of railroad companies as provided for in the act to regulate commerce approved February 4, 1887, as amended, and that the parties subject to such regulation shall have the same rights of hearing, defense, and review as said companies in such cases.

In any valuation hereunder for purposes of rate making no value shall be claimed or allowed for the rights granted by this act or under any lease executed thereunder.

The PRESIDING OFFICER. The yeas and nays have been ordered on agreeing to the amendment to the amendment, and the Secretary will call the roll.

The reading clerk proceeded to call the roll.

Mr. DIAL (when his name was called). I am paired with the senior Senator from Colorado [Mr. PHIPPS]. I understand that if present he would vote on this amendment as I shall vote, and I therefore vote. I vote "nay."

Mr. GLASS (when his name was called). I have a general pair with the Senator from Connecticut [Mr. McLEAN], which I transfer to the Senator from Nevada [Mr. PITTMAN] and vote "yea."

Mr. SHIPSTEAD (when the name of Mr. JOHNSON of Minnesota was called). My colleague [Mr. JOHNSON] is detained from the city on account of sickness in his family. He is paired with the junior Senator from Mississippi [Mr. STEPHENS]. If my colleague were here and voting, he would vote "yea."

Mr. RALSTON (when his name was called). On this question I am paired with the junior Senator from Utah [Mr. KING]. If he were present, he would vote "nay" and I would vote "yea." Under the circumstances, I withhold my vote.

Mr. STERLING (when his name was called). I have a general pair with the senior Senator from South Carolina [Mr. SMITH]. I understand that Senator if present would vote the same way I am about to vote, and I therefore vote. I vote "yea."

The roll call was concluded.

Mr. JONES of Washington. I desire to announce that the senior Senator from West Virginia [Mr. ELKINS] is paired with the senior Senator from Oklahoma [Mr. OWEN].

Mr. OVERMAN. I wish to announce that my colleague [Mr. SIMMONS] if present would vote "yea." He is unavoidably detained, and is paired with the junior Senator from Oklahoma [Mr. HARRELD].

Mr. WILLIS. My colleague [Mr. FESS] is unavoidably detained from the Senate. I am advised that if present and permitted to vote he would vote "nay" upon this question.

Mr. GLASS (after having voted in the affirmative). The Senator to whom I transferred my pair with the Senator from Connecticut [Mr. McLEAN] having appeared in the Chamber and voted, I am compelled to withdraw my vote.

The result was announced—yeas 41, nays 29, as follows:

YEAS—41

Ashurst	George	La Follette	Shipstead
Borah	Gerry	McKellar	Stanfield
Brookhart	Gooding	McNary	Sterling
Capper	Harris	Mayfield	Swanson
Caraway	Harrison	Noel	Trammell
Copeland	Howell	Norbeck	Walsh, Mass.
Cummins	Johnson, Calif.	Norris	Walsh, Mont.
Dill	Jones, N. Mex.	Overman	Wheeler
Ferris	Jones, Wash.	Pittman	
Fletcher	Kendrick	Ransdell	
Frazier	Ladd	Sheppard	

NAYS—29

Bayard	Fernald	Oddie	Wadsworth
Broussard	Greene	Pepper	Warren
Bruce	Hale	Reed, Mo.	Watson
Bursum	Heflin	Reed, Pa.	Weller
Butler	McKinley	Smoot	Willis
Curtis	Means	Spencer	
Dial	Metcalf	Stanley	
Ernst	Moses	Underwood	

NOT VOTING—25

Ball	Dale	Elkins	Harreld
Cameron	Edge	Fess	Johnson, Minn.
Couzens	Edwards	Glass	Keyes

King
Lenroot
McCormick
McLean

Owen
Phipps
Ralston
Robinson

Shields
Shortridge
Simmons
Smith

Stephens

So the amendment of Mr. WALSH of Montana to Mr. UNDERWOOD's amendment was agreed to.

Mr. GEORGE. Mr. President, some days ago I submitted an amendment to the Underwood substitute and I now call up that amendment and formally offer it.

The PRESIDING OFFICER. The amendment offered by the Senator from Georgia to the amendment of the Senator from Alabama will be read.

The reading clerk read as follows:

On page 16, line 8, strike out the comma and the words "when sold or used shall be" and insert the words "shall be sold for distribution."

Mr. GEORGE. Mr. President, under the Underwood substitute the power plants at Muscle Shoals are dedicated in time of war to national defense and in time of peace to the manufacture of commercial fertilizer. Under the substitute the surplus electric power not necessary for the primary purpose in the bill is authorized to be sold or distributed; that is to say, the bill merely grants a permissive power to the lessee if there should be a lessee found to take over the property under the terms of the measure.

The amendment which I offer has to do entirely with the surplus electric power. It does not interfere with the use of the power for primary purposes provided in the act. It does not interfere with the use of electric power for the purpose of the manufacture of nitrates for war purposes, for national defense purposes, or for the purpose of manufacturing commercial fertilizer, but it merely provides for the disposition of the surplus power. In place of leaving that surplus power in the hands of the lessee to be used as he sees fit, it requires the sale of the surplus power for distribution.

Mr. WADSWORTH. Mr. President, will the Senator yield for a question?

Mr. GEORGE. Certainly.

Mr. WADSWORTH. Is it not a fact that the amendment offered by the Senator from Georgia applies to section 10 of the Underwood substitute as printed and that the section was stricken out by the adoption of the amendment of the Senator from Montana [Mr. WALSH]?

Mr. GEORGE. That is true and I was about to call attention to that fact. I was about to offer my amendment as a separate section to be numbered section 9, because section 9 has also been withdrawn and there is now no section 9 of the bill. The amendment I offer now and ask to have read is offered in lieu of the amendment formerly offered by me. It simply provides that—

The surplus power not required under the terms of this act for the manufacture of nitrogen or fertilizer shall be sold for distribution.

The PRESIDING OFFICER. The Senator from Georgia withdraws his former amendment and proposes an amendment to the amendment, which the Clerk will report.

The READING CLERK. Add a new section, section 9, to read as follows:

SEC. 9. The surplus power not required under the terms of this act for the manufacture of nitrogen or fertilizer shall be sold for distribution.

Mr. UNDERWOOD. I think the terms of the bill as it stands are broad enough to cover surplus power and the sale of it. That certainly was my intention because, although I want as much power as can be used dedicated to the manufacture of fertilizer and nitrogen, whatever is left should be sold and distributed. I think the Senator's amendment only makes more certain what is already in the bill, and I thought I would interrupt the Senator to say that I have no objection to it.

Mr. McKELLAR. Before the amendment to the amendment is adopted I offer the following proviso to the amendment offered by the Senator from Georgia and accepted by the Senator from Alabama.

The PRESIDING OFFICER. The Senator from Tennessee offers the following amendment to the amendment, which will be read.

The READING CLERK. Add at the end of the amendment proposed by the Senator from Georgia the following proviso:

Provided, That all surplus power shall be sold by the lessee without discrimination as to rates or other discriminations to industries, municipal corporations, other corporations, or individuals, within or without

the State of Alabama. If power is sold to distributing companies, such distributing companies shall distribute it for resale to municipalities or to others without discrimination.

The PRESIDING OFFICER. The Chair desires to call the attention of the Senator from Tennessee to the fact that his amendment is an amendment in the third degree.

Mr. McKELLAR. How is it an amendment in the third degree?

The PRESIDING OFFICER. It is an amendment to the amendment of the Senator from Georgia, and his amendment is an amendment proposed to the amendment of the Senator from Alabama. If the Senator from Georgia desires, he can accept the language offered by the Senator from Tennessee.

Mr. GEORGE. I merely wish to say on that point that in view of the adoption of the amendment offered by the Senator from Montana [Mr. WALSH], which really makes the provisions of the water power act applicable to the sale of the surplus electric energy, it seems to me that the amendment offered by the Senator from Tennessee is wholly unnecessary and would merely be a repetition of what is provided and is required in the amendment offered by the Senator from Montana and just agreed to by the Senate.

Mr. McKELLAR. The only trouble about the amendment of the Senator from Georgia, as I see it, is that it is not specific enough and in my judgment it will not produce the result that the distinguished Senator from Georgia has in mind. Just what effect the amendment of the Senator from Montana is going to have on it I can not say.

Mr. WALSH of Montana. Mr. President—

The PRESIDING OFFICER. Does the Senator from Tennessee yield to the Senator from Montana?

Mr. McKELLAR. I yield.

Mr. WALSH of Montana. I would like to call the attention of the Senator from Tennessee to the second part of the amendment offered by myself and agreed to by the Senate, section 11, which in part, reads as follows:

Sec. 11. That when said power or any part thereof shall enter into interstate or foreign commerce the rates charged and the service rendered by any such lessee, or by any subsidiary corporation, the stock of which is owned or controlled directly or indirectly by such lessee, or by any person, corporation, or association purchasing power from such lessee for sale and distribution or use in public service shall be reasonable, nondiscriminatory, and just to the customer; and all unreasonable, discriminatory, and unjust rates or services are hereby prohibited and declared to be unlawful.

Mr. McKELLAR. I am inclined to believe that the amendment covers the proposal submitted by me and I withdraw my proposition.

The PRESIDING OFFICER. The Senator from Tennessee withdraws his offer and the question now is on the amendment offered by the Senator from Georgia [Mr. GEORGE] to the amendment of the Senator from Alabama.

The amendment to the amendment was agreed to.

Mr. HARRIS. Mr. President, I offer an amendment to be known as section 13 to which I hope the Senator from Alabama will not object.

The PRESIDING OFFICER. The Senator from Georgia offers an amendment to the amendment of the Senator from Alabama, which will be reported.

The READING CLERK. Add a new section, to be known as section 13, as follows:

No lease made under the terms of this act shall be transferred without the approval of the President of the United States.

The amendment to the amendment was agreed to.

Mr. HARRIS. I now offer the amendment which I send to the desk.

The PRESIDING OFFICER. The Senator from Georgia offers an amendment to the amendment which will be reported.

The READING CLERK. Add at the end of section 4 the following words:

Farmers shall be given preference in the sale of fertilizer manufactured.

Mr. UNDERWOOD. Mr. President, undoubtedly that will be done and I believe it should be done. I do not think the words hurt the bill any, so I have no objection to the amendment to the amendment.

Mr. WADSWORTH. Will the Senator state what interest will purchase fertilizer other than the farmers?

Mr. UNDERWOOD. I do not know, but I do not care to discuss that point. I do not think the amendment hurts the bill.

Mr. HARRIS. The bill states "farmers and users." Under the terms of the bill all the nitrogen manufactured has to be sold to the users, which would be fertilizer manufacturers. They are now getting nitrates from Chile, and manufacturing this product would not increase the amount of fertilizer and would not bring any competition whatever. It would rather tend to create a monopoly in fertilizer, if they should join together to meet this situation, and I think the farmers ought to have the first preference. That is the idea of the legislation and has been from the very beginning, and that is the reason why I offer the amendment to the amendment.

Mr. WADSWORTH. I think from the explanation just made by the Senator from Georgia that this language may have ramifications far more extended than we imagine. If the amendment to the amendment is to be interpreted in accordance with the explanation he has just made, I imagine the corporation or lessee would be compelled to deliver fertilizer at retail to the farmers.

Mr. HARRIS. They would give preference to the farmers in the sale. That is the way it is worded, that the farmers shall be given preference in the sale of fertilizer.

Mr. WADSWORTH. But the Senator in explaining it stated that the corporation should not be permitted to sell fertilizer to anybody but the farmer. If that is the case they could not sell to anyone else.

Mr. HARRIS. The Senator from New York does not mean to do an injustice in that statement, I am sure. The amendment provides that the farmers shall be given preference and then if they do not buy all the fertilizer manufactured there, the other users would get it.

Mr. UNDERWOOD. I will state to the Senator from New York what I think the only effect of the amendment will be; and I have no objection to it on that ground. Cyanamide itself is a fertilizer if it be properly used. It is used in Germany as a fertilizer direct without any other process. It is rather a dangerous fertilizer if it is not carefully used, because if too much of it be placed on a plant it burns it up; but the well-informed farmer can use cyanamide as a fertilizer. Cyanamide may also be used to make sulphate of ammonia and a number of other advanced products. I take it if the Senator's amendment should be adopted, and there were a demand for cyanamide for fertilizer use, farmers would have the first call in its purchase, and it would go directly to the farmer. I see no objection to the amendment, but I do not think what I have suggested is likely to happen.

Mr. WADSWORTH. I have no objection to the spirit of the amendment, but it was merely the explanation of its purpose that aroused my curiosity. I think the amendment will apply not only to cyanamide but to any other chemical product which may be made at plant No. 2.

Mr. UNDERWOOD. That may be.

Mr. WADSWORTH. We are now expressing the intent of Congress or at least its very urgent desire, and this proposal may have more ramifications than we know of just now. If we shall provide in the law that the farmers shall have preference in the sale of all the products of plant No. 2, we may thereby be getting into trouble.

Mr. BRUCE. Mr. President, to begin with, I should like to know just what the Senator from Georgia means by "fertilizers." Again and again in the course of this discussion the word "fertilizers" has been used as if it were synonymous with nitrogen or nitrates. Does the Senator from Georgia mean full commercial fertilizers?

Mr. HARRIS. The last clause of section 4 of the substitute of the Senator from Alabama provides:

In order that the farmers and other users may be supplied with fertilizers at fair prices.

It is to that language my amendment relates.

Mr. President, if I may, I desire to state that other bills which have heretofore passed the Senate have included the provision that the farmer should be given preference.

Mr. BRUCE. Mr. President, I take it for granted, then, that the word "fertilizers" in the amendment of the Senator from Georgia signifies full commercial fertilizers; that is to say, fertilizers into which not only has nitrogen entered as an ingredient but also potash and phosphoric acid.

I merely desire at this time again to call the attention of the Senate to the fact that I have offered a series of amendments to the Underwood substitute which have not as yet come up for final action by it, but which provide for the elimination from the Underwood substitute of all provisions that contemplate the manufacture by the Government at Muscle Shoals through the agency of a governmental corporation or of a lessee of full commercial fertilizers. If those amendments shall receive the approval of the Senate, and the Senator from

Georgia in his amendment means by the word "fertilizers" full commercial fertilizers, it follows, as a matter of course, that the amendment of the Senator from Georgia would be wholly repugnant to my amendatory propositions.

This is a proper stage of the discussion for once more calling the attention of the Senate to the gross, the outrageous injustice of permitting the Government, directly or through the agency of its subsidiary corporation, or any lessee who may secure the lease under the Underwood substitute, to enter into crushing competition with its own citizens; in other words, of enabling the Government, utterly without regard to any pecuniary deficit of any sort, in the plenitude of its reckless and irresponsible power to trample under foot one of the most important private industrial interests in the United States.

As I have already said, in the city of Baltimore there is no less than \$75,000,000 invested in the manufacture of commercial fertilizer. If the Government or its lessee shall undertake to turn out full commercial fertilizers at Muscle Shoals, the business concerns in Baltimore which are producing thousands of dollars' worth of fertilizers would in all likelihood be unable to compete with the Government or its lessee. Just think of the mockery—the cruel mockery—of this situation, as it has been supplemented by the adoption of the amendment of the Senator from Georgia. Under the provisions of that amendment neither the Government nor its lessee would have the power to use one iota of the surplus electrical energy produced at Muscle Shoals in the manufacture of any commodity of any description whatsoever except commercial fertilizers alone.

Just think of such an anomaly, such a solecism! Neither the Government itself nor its lessee could use any part of this surplus energy save for the purpose of ruthlessly ruining the private manufacturers of commercial fertilizers in the United States. That is the pass to which this debate has come. The great private enterprise of manufacturing full commercial fertilizers has been singled out for destruction exactly as a single deer in a herd might be singled out by a hunter for death. Such monstrous discrimination has never been brought to my attention before in the whole course of my legislative experience.

Much is said from time to time about class injustice. How could there be a more flagrant illustration of class injustice than this? I am the son of a farmer; I have owned farm lands and worked them, and I have as full a measure of sympathy as has any man in this body with the farmer; I know his needs and his requirements as well as does any Member of this body; but what right have we, I ask, consistently with any constitutional or legal principle, to select the farmer as the peculiar child of our legislative favoritism, even to the extent of wiping out perhaps another great business interest in the United States, which, upon every principle of justice and equality, is entitled to quite as great a measure of consideration as is the farmer himself? If the business men of this country who are engaged in the manufacture of commercial fertilizers were as numerous as are the farmers, and if they had as much voting power as have the farmers, neither the Senator from Georgia nor any other Senator in this body, I dare to assert, would venture to bring forward such a program.

Oh, yes; such is your tenderness about competition on the part of the Government with its own citizens that you provide unanimously that not a single particle of the surplus electrical energy at Muscle Shoals shall be used by the Government or its lessee in any sort of industrial enterprise whatsoever except that of making commercial fertilizers, but that it shall all be sold. The Government or its lessee is to be unreservedly at liberty to establish not one commercial fertilizer factory but a thousand if it or he chooses to do so at Muscle Shoals, and to completely confiscate the property of the great private enterprises in this country that are engaged in the composition of commercial fertilizers.

Mr. PITTMAN. Mr. President—

The PRESIDING OFFICER. Does the Senator from Maryland yield to the Senator from Nevada?

Mr. PITTMAN. If I understand the policy of this bill, it is for the very purpose of decreasing the cost of fertilizer to the farmers. Is not that its policy?

Mr. BRUCE. No, sir; not necessarily. That can be accomplished in another way. Let the Government produce nitrogen for war explosives at Muscle Shoals; that is all right; that is an object of supreme, transcendent importance, and let the Government or its lessee also produce nitrogen at Muscle Shoals to be used by the private manufacturers of full commercial fertilizers in this country in the preparation of such

fertilizers. That would probably considerably cheapen the cost of such fertilizers to the farmers.

Mr. PITTMAN. If all of the ingredients of the fertilizer manufactured at this great plant were turned over to those who now manufacture it from importations, we will say, from Chile, or partly from Chile, I can not see where there would be much incentive to reduce the price to the purchaser of the manufactured article.

Mr. BRUCE. Why, if it is true that the Government or its lessee can turn out nitrogen at Muscle Shoals more cheaply than it can be obtained from Chile or anywhere else, of course that fact would inure to the benefit of the farmer when the farmer came to buy full commercial fertilizers from ordinary dealers who had used such nitrogen in the manufacture of fertilizers.

Mr. PITTMAN. Then if the bill, as operating, would reduce the price of fertilizers more than under the method in mind by the Senator from Maryland, he would still be in favor of the method he has in mind, would he?

Mr. BRUCE. I do not know that it would do so. It seems to me that the result would be that the production of nitrogen on a great scale at Muscle Shoals would enable private makers of fertilizers to compound them more cheaply than they are now doing, and therefore to sell them more cheaply than they are now doing to the farmer; but that result marks the extreme limit, as I look at it, to which the Government or its lessee should go. The Government now proposes to turn out a vast amount of electrical energy at Muscle Shoals, and, so far as there is any surplus of that energy, it proposes to sell and distribute it all through the region adjacent to Muscle Shoals. Some of it will be bought by concerns that are engaged in manufacturing one commodity, some of it will be bought by concerns that are engaged in manufacturing another commodity, and so on. In the same way, I say, let the Government limit its operations so far as commercial fertilizers are concerned to the production of nitrogen, and its sale to private makers of fertilizers.

Mr. PITTMAN. I understand the Senator to believe that if the Underwood amendment becomes a law the Government lessee will be able to put the private fertilizer distributors out of business.

Mr. BRUCE. I think it not unlikely that that result would follow. Of course, as I have contended throughout this debate, whenever the Government enters upon an industrial enterprise it enters upon it practically without reference to any pecuniary deficits that may arise from its operations. It has the General Treasury of the United States to rely upon; it has the general resources of Federal taxation to fall back upon; and if it were to undertake to produce commercial fertilizers at Muscle Shoals, my own opinion is that the undertaking might well eventuate in the ruin of every private industrial plant in the United States engaged in the manufacture of commercial fertilizers.

Mr. PITTMAN. Because the Government would be able to make commercial fertilizer cheaper than the private industrial plant?

Mr. BRUCE. No, no! Governmental operation is always marked, if I am right, by a much higher degree of wastefulness and inefficiency than the operation of private industrial enterprises; but when any industrial business in which the Government is engaged results in a loss, the Government simply calls into play all the resources of Federal taxation to make good its losses. When, however, the operation of a private manufacturing enterprise of any sort in the United States ends in grave deficits there is nothing for it to do but to pass into the hands of a receiver.

Mr. PITTMAN. How does the Senator's argument apply to the lessee under the act?

Mr. BRUCE. The lessee, in the first place, with the vast primal agencies that the Government would place in his hands for the production of nitrogen, and the low rental of 4 per cent which he would have to pay, would be in almost as good a position for all practical purposes to bring the irresistible force of public competition to bear on private industrial concerns as the Government itself would be.

Mr. PITTMAN. Then I take it that the Senator's opinion is that the Government is not charging the reasonable value of this property to the lessee under the bill?

Mr. BRUCE. Of course that is to be fixed by the terms of the lease. I think it probable, as has been contended here, that the rental will not be in excess of 4 per cent. When you are dealing with a man who wants to buy your property, and you give him an intimation that your price will be at least so much, you are not likely to obtain any higher price than your minimum; but I am not going into the general

merits of the Underwood substitute. As I have said, I intend to vote for it whether my amendments are defeated or not, because I think that the matter of national defense, to begin with, is one of paramount, supreme, overshadowing importance; and because, therefore, even if I knew that the Government was going to produce nitrogen for war purposes at Muscle Shoals at a loss, I should be prepared to submit to that loss exactly as I am prepared to submit to the deficits that are incurred by the Postal Department of the United States.

I have now answered pretty fully the questions that my friend the Senator from Nevada has asked me, and I do not desire to continue the discussion too long.

Mr. PITTMAN. I will not ask any more questions. I will not take up the time. I was just going to say that it has occurred to me from the Senator's statement that if the Government charged the lessee under this bill the reasonable value of the property, that lessee would be on an equality with the private manufacturers in every particular.

Mr. BRUCE. I do not think that he would be on an equality. I think that he would occupy a position of very superior advantage, because he would have this tremendous plant with which to produce nitrogen, and he would get it at a low rental, in all probability. As I have said, the impact of the competition that he would bring down on the hapless private manufacturer of fertilizers would be about as severe as any that the Government itself could bring down upon him.

The PRESIDING OFFICER (Mr. LADD in the chair). The question is on agreeing to the amendment of the Senator from Georgia [Mr. HARRIS] to the amendment in the nature of a substitute proposed by the Senator from Alabama [Mr. UNDERWOOD].

The amendment to the amendment was agreed to.

CONTROL AND ERADICATION OF EUROPEAN FOWL PEST

Mr. McNARY. From the Committee on Agriculture and Forestry I report a joint resolution, which I ask to have read.

The PRESIDING OFFICER (Mr. JONES of Washington in the chair). Is there objection to the report of the joint resolution? The Chair hears none. The Secretary will read the joint resolution.

The joint resolution (S. J. Res. 159) providing for the control and eradication of the European fowl pest and similar diseases in poultry was read the first time by title and the second time at length, as follows:

Resolved, etc., That to enable the Secretary of Agriculture to meet the emergency caused by the existence of European fowl pest in the United States, and to provide means for the control and eradication of this and similar diseases in poultry, the sum of \$100,000 is hereby appropriated, to be immediately available, out of any money in the Treasury not otherwise appropriated, to be expended in the control and eradication of contagious diseases of poultry, and the acts of February 2, 1903 (32 Stat. L. 791), and March 3, 1905 (33 Stat. L. 1264), are hereby amended so as to include therein poultry and contagious diseases thereof.

Mr. McNARY. I ask unanimous consent for the immediate consideration of the joint resolution.

The PRESIDING OFFICER. Is there objection? There being no objection, the Senate, as in Committee of the Whole, proceeded to consider the joint resolution.

The joint resolution was reported to the Senate without amendment, ordered to be engrossed for a third reading, read the third time, and passed.

OHIO RIVER BRIDGE

Mr. NEELY. Mr. President, in order that a public improvement may proceed during the Christmas vacation, I ask unanimous consent for the immediate consideration of Senate bill 3545, Order of Business 885.

Mr. CURTIS. Mr. President, as I understand, that is just an ordinary bridge bill in the regular form.

Mr. NEELY. It is.

The PRESIDING OFFICER (Mr. LADD in the chair). The Senator from West Virginia asks unanimous consent for the immediate consideration of Senate bill 3545. Is there objection?

There being no objection, the Senate, as in Committee of the Whole, proceeded to consider the bill (S. 3545) granting the consent of Congress to the Huntington & Ohio Bridge Co. to construct, maintain, and operate a highway and street-railway toll bridge across the Ohio River between the city of Huntington, W. Va., and a point opposite in the State of Ohio.

The bill had been reported from the Committee on Commerce, with amendments, on page 1, line 3, after the words "That the," to strike out "consent of Congress is hereby granted to

the" and insert "act approved August 18, 1921, granting the consent of Congress to the"; in line 5, after the word "Company," to strike out "its successors and assigns"; in line 7, after the words "street railway," to strike out "toll"; in the same line, after the word "bridge," to strike out "and approaches thereto"; in line 8, after the word "River," to strike out "at a point suitable to the interest of navigation, one end of said bridge being in," and insert "between"; on page 2, line 2, after the word "and," to strike out "the other end at"; in line 3, after the word "opposite," to strike out "said city of Huntington"; in the same line, after the word "Ohio," to strike out "in accordance with the provisions of the act entitled 'An act to regulate the construction of bridges over navigable waters,' approved March 23, 1906," and to insert "be, and the same is hereby, revived and reenacted: *Provided*, That this act shall be null and void unless the actual construction of the bridge hereby authorized be commenced within one year and completed within three years from the date of approval hereof," so as to make the bill read:

Be it enacted, etc., That the act approved August 18, 1921, granting the consent of Congress to the Huntington & Ohio Bridge Co. to construct, maintain, and operate a highway and street railway bridge across the Ohio River between the city of Huntington, W. Va., and a point opposite, in the State of Ohio, be, and the same is hereby, revived and reenacted: *Provided*, That this act shall be null and void unless the actual construction of the bridge hereby authorized be commenced within one year and completed within three years from the date of approval hereof.

SEC. 2. That the right to alter, amend, or repeal this act is hereby expressly reserved.

The amendments were agreed to.

The bill was reported to the Senate as amended, and the amendments were concurred in.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

The title was amended so as to read: "A bill to revive and reenact the act entitled 'An act granting the consent of Congress to the Huntington & Ohio Bridge Co. to construct, maintain, and operate a highway and street railway bridge across the Ohio River between the city of Huntington, W. Va., and a point opposite, in the State of Ohio,' approved August 18, 1921."

ADMISSION OF CERTAIN IMMIGRANTS

Mr. COPELAND. Mr. President, a little while ago I sent to the desk a joint resolution asking for the admission to this country of certain persons now in various parts of Europe. These persons have passports and visés, but for one reason or another have not been permitted to come here, particularly on account of the restrictions of the present immigration law. They number altogether five or six thousand, perhaps 8,000. These persons have left their homes, and because they had these properly prepared governmental papers they thought they were to be permitted to come to the United States. They now discover they can not come; and so we find in the ports in England and in France and in Germany and other parts of the world these unfortunate people.

I should in all fairness say that this matter was considered this morning by the Immigration Committee, and the majority of the committee felt that for one reason or another this joint resolution should not prevail. But I appeal to Senators. I feel that there is involved here an ethical question, and certainly on the high ground of humanity we should give consideration to the plight of these unfortunates.

Two or three years ago I had occasion to go up to the Russian border in Poland. You will recall, Mr. President, that during the Great War several hostile armies crossed Poland, and after the war was over the Poles had a three-year war with the Russian Bolsheviks. When the Russians were finally driven out of Poland they destroyed every building—and I mean that literally. They took away the flocks and herds and carried two or three million citizens into captivity. Under the treaty of Riga, the treaty of peace between Russia and Poland, those refugees have been returned to Poland.

I was at Baranowice, on the border between Poland and Russia, and in the first train load I saw come in the morning I arrived there were 1,200 people, 500 of them children. Those persons had been brought from eastern Siberia, over the Ural Mountains and across the plains of Russia, not in Pullman cars but locked in cattle cars. They had been in those cars for eight months. All the food they had to eat during that time was a half a loaf of bread per day per person, and that bread was made of black earth, the seeds of weeds, and the excreta of animals.

I have heard discussed the question, why should not these people go back to their homes, if they are not permitted to sail to the United States? Because, Mr. President, many of them have no homes. Their homes were destroyed. I saw them living in dugouts, and in covered-in portions of the trenches.

Here are these people in the various ports of Europe, with passports visaed by our consuls, and it seems to me we are under a peculiar moral obligation to see that they are permitted to enter our country under the restrictions and conditions which very properly prevail with reference to the admission of immigrants.

I think we may well make an exception to the restrictions fixed by the present immigration law, and permit the admission of these persons. So the appeal I make is that Senators will read this joint resolution and give it serious thought. I hope they may be moved by the spirit of the season to grant permission to these unfortunates to pursue their way to the United States.

MUSCLE SHOALS

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 518) to authorize and direct the Secretary of War, for national defense in time of war and for the production of fertilizers and other useful products in time of peace, to sell to Henry Ford, or a corporation to be incorporated by him, nitrate plant No. 1, at Sheffield, Ala.; nitrate plant No. 2, at Muscle Shoals, Ala.; Waco Quarry, near Russellville, Ala.; steam-power plant to be located and constructed at or near Lock and Dam No. 17, on the Black Warrior River, Ala., with right of way and transmission line to nitrate plant No. 2, Muscle Shoals, Ala.; and to lease to Henry Ford, or a corporation to be incorporated by him, Dam No. 2 and Dam No. 3 (as designated in H. Doc. 1262, 64th Cong., 1st sess.), including power stations when constructed as provided herein, and for other purposes.

Mr. DIAL. Mr. President, I send an amendment to the desk which I desire to offer to the pending substitute.

The PRESIDING OFFICER. The Secretary will state the amendment to the amendment.

The READING CLERK. On page 4, line 17, after the word "properties," insert "either separately or as a whole."

Mr. CURTIS. How would that make it read?

The READING CLERK. So as to read:

That the Secretary of War, with the approval of the President, is hereby authorized and empowered to lease the properties, either separately or as a whole, enumerated under section 1 of this act, etc.

Mr. DIAL. Mr. President, I am in favor of the bill, and possibly this amendment would somewhat aid it. Some lessee might be willing to lease one part and another lessee another part. I would like very much to see the property leased if it can be done. Not only that, but one lessee might want to make one kind of fertilizer and another another kind, and therefore this amendment might aid the Secretary of War in making a lease. I submit it to the consideration of the Senate.

Mr. UNDERWOOD. Mr. President, I think the only way this property can be properly leased is to lease it to one lessee, but the lease will be entirely in the discretion of the Secretary of War and the President. I have no objection to their discretion being carried that much further, and I do not resist the amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from South Carolina to the substitute offered by the Senator from Alabama.

The amendment to the amendment was agreed to.

Mr. COPELAND. Mr. President, I desire to offer an amendment to the committee bill, which I send to the desk.

The PRESIDING OFFICER. The Secretary will state the amendment to the amendment.

The READING CLERK. On page 28 of the committee substitute, line 10, after the word "available," strike out the words: and he shall not demand of the Federal Power Corporation for such purpose more than 100,000 horsepower, of which not more than 25,000 shall be primary power.

Mr. COPELAND. Mr. President, it has seemed to me that one of the defects of the Norris bill, if I can say that so good a bill has a defect—

Mr. NORRIS. Will the Senator permit an interruption?

Mr. COPELAND. I yield.

Mr. NORRIS. As I have said several times, I have no objection to that amendment, and while I can not act for the committee, all the members of the committee with whom I have been able to talk are agreeable to the amendment. Personally, I shall vote for it.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from New York to the committee substitute.

The amendment to the amendment was agreed to.

Mr. COPELAND. I have one other amendment to offer, which I send to the desk.

The PRESIDING OFFICER. The Secretary will state the amendment to the amendment.

The READING CLERK. On page 29, line 13, after the word "advisable," strike out the words:

and he is hereby authorized, if in his judgment better results can be obtained, to enter into a contract or contracts with private persons or corporations for the operation, either in whole or in part, of said nitrate plants, or other property or parts thereof.

Mr. NORRIS. If the Senator will permit me, I think that would logically follow the adoption of the amendment the Senate has just agreed to, and that language ought to go out.

The PRESIDING OFFICER. The question is on agreeing to the amendment to the amendment.

The amendment to the amendment was agreed to.

Mr. NORRIS. The Senator from New York offered still another perfecting amendment, which would also follow, just to perfect the text. It would come on page 28, line 1, after the word "Agriculture," to strike out down to and including the word "herein" in line 3, the same page. We have just stricken out the authority of the Secretary of Agriculture to lease, and this language has reference to the leasing provision.

Mr. COPELAND. That is true, Mr. President.

Mr. NORRIS. That amendment ought to be made.

Mr. COPELAND. I offer that amendment to the amendment.

The PRESIDING OFFICER. The Secretary will state the amendment.

The READING CLERK. On page 28, line 1, after the word "Agriculture," strike out the comma and the words "or any other agency having in charge the operation of said nitrate plants, except as provided herein."

The amendment to the amendment was agreed to.

Mr. COPELAND. My records do not seem to be very complete, and I would like to ask the Senator from Nebraska if we have now covered all the points we discussed?

Mr. NORRIS. I think so. I think that perfects it.

The PRESIDING OFFICER. The question now is on agreeing to the substitute offered by the Senator from Alabama [Mr. UNDERWOOD] as amended.

Mr. HOWELL. I wish to offer an amendment to the amendment.

The PRESIDING OFFICER. The Secretary will state the amendment to the amendment.

The READING CLERK. On page 5, line 6, of the Underwood substitute, following the word "power," insert the following proviso:

Provided, That in addition to the annual rental herein stipulated, the lessee shall set up and maintain an adequate reserve for depreciation, upon which the United States shall have a prior lien, in connection with the following properties, to wit: (1) Dam No. 2 and power equipment; (2) the steam electric plants at nitrate plants No. 1 and No. 2; and (3) nitrate plant No. 2. Such reserve for depreciation shall at all times be of such an amount that when added to the physical value of such property at any time shall at least equal the appraised value thereof when turned over to the lessee: *Provided further*, That in case of nitrate plant No. 1, excluding power plant, the value thereof shall be appraised at the time said property is turned over to the lessee and provision made in lease for the lessee's accounting for the value of such property at the termination of lease.

Mr. UNDERWOOD. Mr. President, I assume that a provision of that kind could be made in the contract, when the Secretary of War and the President make a contract under this measure, if they do make one, and I have left the language giving the President power to make the contract as broad as I could. I do not see any very serious objection to the proposed amendment, and I am willing to have it adopted, reserving the right, if I see some real objection to it, to still object when the bill is in conference. I do not see any serious objection now, so I will not raise a point against it.

Mr. NORRIS. I would like to call my colleague's attention to the fact that he should not, on account of the statement made by the Senator from Alabama, fail to put in the RECORD any argument he wants to make, because all the conferees will have before them if there is any question about it, will be what is said in the Senate.

Mr. UNDERWOOD. I did not mean to cut the Senator off and prevent him from making a speech, but this is a mere detail that would go into any contract. I think the Secretary of War and the President would put it in, and I do not believe it is of sufficient moment to fight over now. When the matter goes to conference, something might develop so that I might change my mind, and I wanted to give the Senator notice of that.

Mr. HOWELL. There are two classes of property that will be turned over to the lessee. One class of property consists of Dam No. 2, the steam plant at nitrate plant No. 2, nitrate plant No. 2 itself, and, in addition, the steam plant at nitrate plant No. 1. Those properties should not merely be maintained, but there should be set up by the lessee a reserve for depreciation such as will replace the properties at any time. For instance, it may be that nitrate plant No. 2 will be operated constantly. We know that when a machine is operated constantly and all repairs are made that are possible, even then at the end of some period of time it becomes junk. It must be replaced. We have all had this experience with automobiles. We may repair constantly such a machine, look after it with attention, and yet after a period of six or seven years the automobile becomes practically worthless. Therefore, if we do not set aside annually a sum of money sufficient, together with interest, to the end of the period of usefulness of the machine, such as to equal a sum that will buy a new machine we are simply using up our capital in operation without making provision for its replacement.

In my opinion, it is just as important to make provision in the substitute of the Senator from Alabama for maintaining a reserve for depreciation as it is to indicate the minimum that shall be charged in the way of interest. Any lessee or prospective lessee reading this bill, if it shall become a law, might properly assume that it was the intention of Congress that if the President and Secretary of War could do no better, they were expected to lease the property on a basis of 4 per cent per annum without requiring a reserve for depreciation. Therefore, in my opinion, the substitute should be so framed that there can be no mistake as to what is expected from the President and Secretary of War so that a prospective lessee may understand that he must take into consideration in making his bid that he will have to maintain a reserve for depreciation.

Mr. McKELLAR. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Nebraska yield to the Senator from Tennessee?

Mr. HOWELL. I yield.

Mr. McKELLAR. In reference to replacement I want to call the attention of the Senator from Nebraska to the proposition of the Tennessee Electric Power Co., the Memphis Power & Light Co., and the Alabama Power Co., in which those three companies thought the matter about which the Senator is talking to be quite important, because their proposal included these words—and some of them may be expected to bid under this bill:

3. The power company will, at its own expense, throughout the lease period, operate and make all necessary renewals and repairs incident to efficient maintenance of the spillway gates, the power house, and substructures, superstructures, machinery, and appliances appurtenant to the power house, and will maintain the same in efficient operating condition, all in accordance with the Federal water power act, it being understood that all necessary repairs and maintenances of Dam No. 2 and the locks shall be under the direction, care, and responsibility of the United States and at its expense during the said 50-year lease period.

It seems to me some such provision as that ought to be in the bill, otherwise it will not be included and it will probably take all of the rentals the Government gets under the terms of the bill to provide for renewals of the various parts of the plant.

Mr. HOWELL. It is my understanding that the substitute does provide for maintenance, but it does not provide for setting up a reserve for depreciation—

Mr. McKELLAR. That is entirely right.

Mr. HOWELL. That at any time, when added to the physical value of a particular piece of property, will equal its appraised value at the time it was turned over to the lessee. This is very important in connection with nitrate plant No. 2. That plant ought to be maintained in 100 per cent condition all the time, or funds provided for in a depreciation reserve to put it in 100 per cent condition, because we are relying upon that plant for fixed nitrogen to use in the manufacture of ammunition in case of war.

I think this is of great importance and reasonable, as reserves for depreciation are looked upon by every public-utility

corporation and by every public-service commission as something that the public must provide in connection with its public utilities, and hence the public is assessed additional increments to rates charged sufficient to provide reserves for depreciation.

Now, there is another class of property quite different from the first class I have described. I refer to nitrate plant No. 2. That property has been in a way an experimental plant. It includes a fine building, with a modern power plant attached, but is equipped with certain machinery that may have to be changed. Therefore I believe that this property ought to be treated differently than the items listed in the first class of properties I have mentioned. This property ought to be appraised and the lessee should be required at the end of his lease to make good its value at the time of original appraisal. That would enable him to do what he pleases with nitrate plant No. 1—to remodel it or change it. But so far as nitrate plant No. 2 is concerned it ought to be kept in condition to produce fixed nitrogen at any time. The steam plants, of course, will deteriorate with use, and unless there is a provision made for depreciation, a reserve accumulated that the United States has a prior lien on, we will have little or no protection respecting replacements. Or if the lessee, at some time during the period of the lease, should fail, we might have turned over to us nothing but a shell. Therefore it seems to me that the substitute should ultimately carry a provision for reserves for depreciation.

Mr. BRUCE. May I ask the Senator a question so as to be clear in my own mind when I come to vote on his amendment?

The PRESIDING OFFICER. Does the Senator from Nebraska yield to the Senator from Maryland?

Mr. HOWELL. I yield.

Mr. BRUCE. Do the provisions of the Senator's amendment providing for depreciation relate to the dams too?

Mr. HOWELL. They relate to the dam, the power units in connection with the dam, the 80,000 horsepower steam plant in connection with nitrate plant No. 2, and to nitrate plant No. 2.

Mr. BRUCE. Does the Senator think that a prudent lessee would be willing to meet the risks of the dam being swept away by a great flood in the Tennessee River? I recall the fact that in my youth I had a friend who had inherited about \$100,000 and engaged in routine business in Baltimore and thought he would better his condition by entering into partnership with a contractor who was engaged in the construction, to a very considerable degree, of large public works. He and his partner undertook to build a dam in one of the rivers in Georgia. I have forgotten which river it was. Just about the time the dam was completed and was to be turned over to the contractee a great flood rose in the river and swept the dam entirely away and the \$100,000 of my friend with it.

It seems to me the depreciation reserve that is accumulated from year to year—if this dam were swept away, we will say, in six months after the depreciation reserve was begun to be established or in a year or two or three years afterwards or at any period of time short of the 50 years duration of the lease—might not amount to much. What I am afraid of is that the Government would experience considerable difficulty in obtaining a lessee if that lessee assumed such tremendous risk as it seems to me the amendment of the Senator from Nebraska involves.

Mr. HOWELL. An adequate reserve for depreciation would not include an increment sufficient for insurance. I think that the provision for maintenance would come nearer providing that the lessee would be liable for the replacement of the dam if it was swept away. I have provided in the amendment for an adequate reserve for depreciation, and they would not take into consideration in determining that replacement of the dam in case of a casualty of the kind suggested by the Senator from Maryland.

The PRESIDING OFFICER. The question is on agreeing to the amendment proposed by the junior Senator from Nebraska [Mr. HOWELL] to the substitute of the Senator from Alabama [Mr. UNDERWOOD].

Mr. WALSH of Montana. Mr. President, the Senator from Nebraska may have covered the matter fully, but if he did so it was during my absence from the Chamber. The amendment provides:

That in addition to the annual rental herein stipulated the lessee shall set up and maintain an adequate reserve for depreciation.

That language is rather general in its terms. Who will determine just exactly what kind of reserve is to be set up and whether or not it is adequate?

Mr. HOWELL. I think it would be well, probably, to insert at that point the words "as fixed in the lease," because at the time the lease is made what is an adequate reserve for depre-

ciation ought to be determined. Possibly the Senator from Montana might offer an amendment to my amendment to that effect.

Mr. UNDERWOOD. Mr. President, I will say to the Senator that after having read his amendment carefully I think the effect of it is specially to call to the attention of the President and Secretary of War in making the lease that reasonable terms should be included. I think in all human probability that they would take such action anyway in writing the lease; but the amendment would call their attention to the terms. Of course, it is not practicable for Congress, with the information we have before us, to determine what is an adequate replacement charge.

Mr. HOWELL. I agree that we have not such information before us.

The PRESIDING OFFICER. The question is on the amendment proposed by the junior Senator from Nebraska, as modified, to the substitute of the Senator from Alabama. Is there objection? The Chair hears none, and the amendment is agreed to. The question now is upon the Underwood amendment as amended.

Mr. HOWELL. Just a moment, Mr. President. I wish to offer another amendment.

The PRESIDING OFFICER. The amendment now proposed by the junior Senator from Nebraska to the substitute of the Senator from Alabama will be stated.

The READING CLERK. On page 5, line 19, after the word "contract," it is proposed to insert the following:

Time shall be made of the essence of the contract herein provided for, and failure on the part of the lessee to comply with the terms of said contract shall render the same terminable at the option of the United States: *Provided*, That written notice of the exercise of such option shall be served upon the lessee at any time within one year following any breach of said contract. Whereupon the property covered by said lease shall be turned over without expense to the United States upon demand, and said lessee shall be liable for any damage sustained by the United States as a consequence of said lease and the acts of said lessee.

Mr. UNDERWOOD. Mr. President, I think the substitute already provides for that contingency; I think that it already contains the provision that in the event the lessee shall not comply with the terms of the contract the contract ceases to be effective and is void.

Mr. HOWELL. I have not found such a provision. The only provision that I have found is on page 4 of the Senator's substitute, beginning in section 5, where the language is:

That the Secretary of War, with the approval of the President, is hereby authorized and empowered to lease the properties enumerated under section 1 of this act, with proper guaranties for the performance of the terms of the lease.

That is all I find in the Senator's substitute with reference to what might be construed to be a provision for the termination of the contract in case of failure on the part of the lessee to comply with its terms.

Mr. UNDERWOOD. Mr. President, I am pretty sure such a provision is in the substitute, although I can not put my finger on it right now. However, I have no objection to the Senator's amendment; it can not seriously affect the substitute; and if later, before we dispose of the matter, I find the place in my substitute where the provision is contained, I shall show it to the Senator from Nebraska.

The PRESIDING OFFICER. The question is on agreeing to the amendment proposed by the junior Senator from Nebraska to the substitute of the Senator from Alabama.

Mr. HOWELL. Just one moment, Mr. President. I desire to say that in offering my amendment to the substitute I wish to obviate such a situation as this which might otherwise arise: A lessee might fail to comply with the terms of the contract, and with no provision for cancellation the Government would simply have the right to bring a suit for damages; I believe that would be the remedy. I feel that the contract should clearly stipulate that if the lessee fails to comply with the terms of the contract, to wit, the manufacture of 40,000 tons of fixed nitrogen per annum and the manufacture and mixing of some 2,000,000 or 3,000,000 tons of fertilizer, the United States would be in a position to say, "You are through," and not have merely to rely upon an action for damages. It is for that reason I have offered this amendment to the substitute.

The PRESIDING OFFICER. The question is on agreeing to the amendment proposed by the junior Senator from Nebraska to the substitute of the Senator from Alabama. Is there objection? The Chair hears none, and the amendment to the amendment is agreed to.

Mr. COPELAND. Mr. President, I send to the desk an amendment which I desire to propose to the substitute of the Senator from Alabama [Mr. UNDERWOOD], and I ask that it may be read.

The PRESIDING OFFICER. The amendment to the substitute will be stated.

The PRINCIPAL CLERK. In the amendment of the Senator from Alabama [Mr. UNDERWOOD] it is proposed to strike out all of section 10 and to insert in lieu thereof a new section 10, as follows:

The surplus power not required under the terms of this act for the manufacture of nitrogen for fertilizer shall be sold to users at rates to return a maximum net profit of not to exceed 8 per cent of the fair annual cost of production and distribution thereof: *Provided*, That if such surplus power is sold to others than users thereof, the corporation shall require as a condition of such sale the consent of the purchaser to the regulation by the corporation of rates to be charged users that will return to the said purchaser maximum profit of not more than 8 per cent of his costs.

Mr. UNDERWOOD. Mr. President, I think section 10 has been stricken from the bill by an amendment offered by the Senator from Montana [Mr. WALSH], and there is also an amendment to section 9 with reference to the distribution of power. I am, therefore, rather inclined to think that the amendment of the Senator from New York is in conflict with the terms of those two amendments.

Mr. COPELAND. Mr. President, is it in conflict in any other respect than as to the number of the section?

Mr. UNDERWOOD. The amendment of the Senator from Georgia [Mr. GEORGE] provides for the distribution, and the amendment of the Senator from Montana [Mr. WALSH] provides for the terms of sale, while the amendment of the Senator from New York specifies the terms of sale; and, of course, if it should be incorporated in the law it would wipe out any regulation of those terms.

Mr. COPELAND. If the Senator from Alabama will yield, let me say that on page 4 of his substitute there is fixed the maximum profit which may be made on the sale of fertilizer by a provision that the maximum net profit which may be made shall not exceed "8 per cent of the fair annual cost of the production thereof."

I have in mind exactly the same thing with reference to the sale of power; that the surplus power shall be sold in such a way that the users of that power shall not pay more than 8 per cent on the investment of the lessee.

Mr. UNDERWOOD. I have no objection to limiting the profit from the sale of power to 8 per cent, because if the power shall be sold that would probably be a reasonable return; but I do not know how we are going to get at that or whether the Senator's amendment is sufficiently adjusted to the question of a contract to determine on what the 8 per cent shall be based.

Mr. COPELAND. Mr. President, if the Senator will yield, I acknowledge at once the fairness of his statement, and I was about to suggest that the language of the amendment be changed, so that the section will read as follows:

That the lessee shall either itself transmit and deliver to consumers, or sell to others for such transmission and delivery, all surplus electric energy produced and not used in the production of nitrates or other fertilizer ingredients or in fertilizers, mixed or unmixed; and the rates at which such surplus so transmitted and delivered shall be sold shall not exceed the amount necessary to pay such proportion of operating costs as may properly be allocated to the production, transmission, and delivery of such surplus, plus a return of 8 per cent upon the investment of the lessee in properties used or useful in such production, transmission, or delivery.

I think that will cover the criticism of the Senator from Alabama.

Mr. UNDERWOOD. Mr. President, I am not sure about the amendment. I have no objection to a limitation, but I am not sufficiently advised as to the terms. However, I do not care to resist it now, because I think the question can be taken up in conference, if the bill shall go to conference, and adjustment can be made by the conferees.

Mr. WALSH of Montana. Mr. President, I wish to suggest to both Senators that a considerable portion of the amendment now tendered by the Senator from New York is covered by the amendment offered by the Senator from Georgia [Mr. GEORGE], who in the same manner provided in his amendment that the surplus power should be sold. The only difference is that there is no limitation—

Mr. COPELAND. As to profits?

Mr. WALSH of Montana. As to profits. And I suggest that if a simple provision in relation to a limitation to 8 per

cent were added to the amendment offered by the Senator from Georgia there would be a want of repetition which would occur under the amendment as proposed by the Senator from New York.

Mr. UNDERWOOD. I called the attention of the Senator from New York to that fact. Of course, the amendment of the Senator from Georgia is not amendable right now, but it will be amendable in the Senate, and I ask the Senator from New York to let his amendment go over, for when the bill shall be reported to the Senate he will have an opportunity to offer the amendment, and in the meantime it may be considered in connection with the amendment offered by the Senator from Georgia.

Mr. HOWELL. Mr. President, I should like to ask the Senator from New York if such a provision as this would cover what is in his mind:

The United States, its agents, lessees, or assigns, shall be limited to a maximum net profit which may be made, including the profit from any power sold, not to exceed 8 per cent of the fair annual cost of the production of such fertilizers.

Mr. COPELAND. Yes, Mr. President, that would satisfy me. I suggest, however, that both of the amendments be printed, so that we may reconcile them with the amendment already adopted, which was presented by the Senator from Georgia, because otherwise we are going to spoil the bill by overlapping and by possible conflict. I will say, however, in answer to the Senator from Nebraska, that I have in mind that just exactly as the profit upon fertilizer is limited to 8 per cent I want the profit upon power limited to that amount; and I am satisfied with any amendment to the bill which makes it clear that there is such a limitation.

Mr. HOWELL. The amendment which I have read would provide that all the profit from power would be pooled with the income from fertilizer, and then the profit that would be enjoyed by the lessee would be 8 per cent upon the amount of fertilizer that he made. Therefore there would be an object for him to make as much fertilizer as possible if his power profits were large.

Mr. COPELAND. I am very much interested in the suggestion of the Senator, but I will pass forward to the clerk this amendment to be printed.

Mr. UNDERWOOD. Mr. President, I will say to the Senator from New York that I think the proposal of the Senator from Nebraska more nearly covers the case he has in mind, and I have no objection to it.

Mr. COPELAND. Mr. President, will the Senator yield?

Mr. UNDERWOOD. Yes, sir.

Mr. COPELAND. Would the Senator accept the amendment offered by the Senator from Nebraska?

Mr. UNDERWOOD. If it satisfies the Senator from New York, I do not care.

Mr. COPELAND. It is entirely satisfactory to me, if it is to the Senator from Alabama, to accept the amendment offered by the Senator from Nebraska.

Mr. UNDERWOOD. The amendment of the Senator from Nebraska comes in on page 4, does it not?

Mr. HOWELL. Yes; my amendment comes in on page 4, line 13.

Mr. UNDERWOOD. Supplementing what is in the bill already with reference to fertilizer?

Mr. HOWELL. Yes, sir.

Mr. UNDERWOOD. I have no objection to that, Mr. President.

Mr. NORRIS. Mr. President, I should like to hear the amendment read.

Mr. UNDERWOOD. That is, the amendment of the Senator from Nebraska [Mr. HOWELL]?

Mr. NORRIS. Yes.

The PRESIDING OFFICER. The Secretary will state the amendment to the amendment.

The READING CLERK. On page 4, in line 13, after the word "made," it is proposed to insert the words "including the profit from any power sold"; also, in line 14, it is proposed to strike out the word "thereof" and to insert in lieu thereof the words "of such fertilizers," thus causing the last paragraph of section 4 to read as follows:

In order that the farmers and other users may be supplied with fertilizers at fair prices and without excess profits, the United States, its agents, lessees or assigns, shall be limited to a maximum net profit which may be made, including the profit from any power sold, not to exceed 8 per cent of the fair annual cost of the production of such fertilizers.

Mr. NORRIS. Mr. President, I want to get an understanding of that. My mind is just a little bit confused. I could not

hear in its entirety the colloquy that has been going on between my colleague and the Senator from New York and the Senator from Alabama.

As the amendment now stands, does it provide that the profits on fertilizer and the profits on power are all to be put into one hopper and the 8 per cent is to be on the two?

Mr. UNDERWOOD. That is my understanding of it.

Mr. NORRIS. If there was a loss, for instance, on the fertilizer and a profit on the water power, then they would have to make enough on the water power to make up the losses on the other, in the aggregate. Is that my colleague's understanding of the amendment?

Mr. HOWELL. It is—that the profit would be based upon fertilizer, and the profit from water power would be pooled with the income from fertilizer.

Mr. NORRIS. I can not understand how you can base the profit on fertilizer when you pool the two. As I understand from the Senator from Alabama, the profit of 8 per cent is on the combined operations of both power and fertilizer, and the provision is that out of the whole transaction no more than 8 per cent can be made. That is not basing the profit upon fertilizer any more than it is basing the profit upon water power.

Mr. UNDERWOOD. In the bill as I originally prepared it I included a limitation on the profit which fertilizer could be sold for of 8 per cent.

Mr. NORRIS. Yes; I understand that.

Mr. UNDERWOOD. Subsequently, it was called to my attention that that did not include the profit on the water power, to which, as I said at the time, I had no objection. As I understand the Senator's amendment—and, of course, if my understanding is incorrect I have no doubt the matter will be corrected in conference—if there are profits made on the sale of power, and a loss on the fertilizer, the lessee will get 8 per cent on the net results. On the other hand, if he makes profits on both power and fertilizer, he has to be limited to 8 per cent.

Mr. NORRIS. Mr. President, I am not going to criticize the amendment. Of course, I should hesitate to do it anyway, because I do not expect to support the Senator's substitute. At the same time, I should like to call the attention of the Senator from Alabama and the Senator from New York and my colleague to what seems to me to be important here, not so much with reference to what happens in this particular matter, but in a much broader sense.

We ought to be able after a while to know just how much we lose or how much we make, absolutely what it costs, particularly in the fertilizer end. We are all anxious to cheapen the production of fertilizer; and I do not want any bill to pass, no matter whether I favor the bill in general or not, that will not make it absolutely necessary and really essential that the actual cost of producing fertilizer under the ordinary conditions that confront the ordinary business man who wants to go into the business should be absolutely known. Otherwise, we are not doing any good to anybody in the end, as far as fertilizer is concerned. As the amendment now stands, I should like to ask my colleague whether he thinks that would be definitely known.

Mr. HOWELL. Mr. President, I will say that I have another amendment that I am about to offer that would afford the Government full knowledge of the results.

Mr. NORRIS. Well, Mr. President, I shall not offer any further objection to it; but when my colleague offers his next amendment—

Mr. UNDERWOOD. Mr. President, I will say to the senior Senator from Nebraska that there is a clause in the bill which requires the books of this corporation or of the lessee to be audited.

Mr. NORRIS. Yes; I understand that there is such a provision; but there is not any provision in the bill, at least as I remember it, that explicitly states that the books shall be so kept that such an audit would show just what the cost was. If you put the two together, I am afraid that the book-keeper will jumble them in such shape that it will not appear definitely; and that ought to be one of the objects of the Senator—the Senator must agree with me on that—in his own bill or in anybody's bill.

Mr. UNDERWOOD. My sole purpose in this bill, on the fertilizer end of it—and that is the main purpose of my bill, national defense and fertilizer—is to try to produce a reasonable result, cheaper fertilizer. I have no objection to that being made definite. Therefore I am not resisting the amendment offered by the junior Senator from Nebraska [Mr. HOWELL]. I think that under any audit it would be demonstrable as to whether or not the terms of the bill are carried out, and this bill provides for an audit.

Mr. COPELAND. Mr. President, the Senator from Alabama is apparently willing to accept the spirit of the various amendments which have been presented. I suggest, in view of the conflict in language and the overlapping which might occur, that we let this amendment go over to-night. I have sent my own amendment forward to be printed; and I suggest to the junior Senator from Nebraska that he take the various amendments which relate to the same subject, as well as that already adopted, presented by the Senator from Georgia, and reconcile them so that they may be acted upon intelligently by the Senate.

Mr. UNDERWOOD. I have no objection to that, except that I do not want to get myself involved in any agreement that will delay the passage of the bill. I think it is self-evident that we shall shortly take a recess; but I have no objection, except that I do not want an agreement of mine to delay the passage of the bill if it is moving along.

Mr. COPELAND. I do not think the Senator from Alabama need worry about that, because my judgment is that he will get no immediate vote on his bill.

Mr. UNDERWOOD. I think so, too.

Mr. COPELAND. So I think there will be ample time for consideration.

Mr. UNDERWOOD. I think the Senator is right; but I did not want to be personally committed about the matter.

Mr. NORRIS obtained the floor.

Mr. SPENCER. Mr. President—

Mr. NORRIS. I yield to the Senator from Missouri.

Mr. SPENCER. If the Senator from Nebraska will be good enough to permit me to do so, I should like to present to the Senate a report from the Committee on the Judiciary on the article in the Washington Herald relating to the senior Senator from Alabama [Mr. UNDERWOOD]. The report of the subcommittee and of the Judiciary Committee was unanimous. It is not long, and it ought to be considered and disposed of at once.

Mr. NORRIS. Mr. President, I do not know how much time will be required for this matter.

Mr. SPENCER. If there is any discussion I will withdraw it.

Mr. NORRIS. I wish the Senator would wait until I get through. I have no objection to his submitting the report, however.

Mr. SPENCER. I would rather not submit the report until it can be considered and acted upon.

Mr. NORRIS. Just let me finish first.

Mr. President, considerable has been said pro and con in this debate on public ownership of public utilities. A good many examples have been given and discussed by various Senators. I think there is one illustration bearing directly on this proposition that ought to be laid before the Senate in this connection.

The man who can do that better than any other man in the world is my colleague [Mr. HOWELL], but on account of his modesty he has not even referred to it. I have given it some attention, and I want to give to the Senate just a little history of the waterworks, electric light, gas, and ice plants in the city of Omaha, the home city of my colleague.

Several years ago all of these particular activities were supplied to the citizens of Omaha by private corporations; and although I did not live in the city then, and do not yet, I remember that particularly the water under private operation, privately supplied by a private corporation, was the comment of the entire State. A person in Omaha could hardly take a bath and be improved after the bath was taken if he used Omaha water to do it. An ordinary glass of water in the hotels, where I used to go at least, if it rested a few minutes, had a heavy sediment of mud or sand at the bottom of it; and when the glass was first filled you could not see through it.

They had a tremendous fight. The fight went to the Supreme Court of the United States, and was finally disposed of there. My colleague to a very great extent led that fight and was the active participant in it. He was a member of the legislature which passed the bill which gave authority to the people of Omaha to take over the waterworks. They took it over, I think for much more than it was worth, under a bill that was introduced by my colleague when he was in the legislature; and he afterward became the manager, and managed that activity and the other activities that I shall mention until he was elected to the Senate.

In the midst of the great business depression of 1896 the Omaha Water Co. attempted to acquire what would have amounted to practically a perpetual franchise to supply the city with water, although the privileges it was enjoying at that time had several years to run. The city council granted

the new franchise, as requested, but Mayor Broach vetoed the ordinance, and then and there the fight for public ownership of Omaha's water plant began.

The first result of this fight was a change in the city charter that prohibited the council from granting a franchise to any public utility without first submitting the question to a vote of the people. In 1900 a proposition to buy the Omaha water plant was almost unanimously adopted at the city election held that year, but notwithstanding that the city council, under the domination of the water company, refused to act. Elected to the State Senate in 1902, R. B. HOWELL secured the enactment of a statute compelling the council to obey the mandate of the people and acquire the water plant. This law also provided for an unusual form of organization for the control and operation of any public utilities that might be acquired or constructed by the city of Omaha thereafter.

You will notice that the law was not confined solely to the water proposition. This organization is now in the form of and is known as the Metropolitan Utilities District. This district bears the same relation to the city of Omaha as does the school district of Omaha, except that it has to do with public utilities only, instead of schools only. However, the district has no power to tax, but is authorized to extend its limits by mere proclamation. It is, in fact, a public corporation identical with a private corporation, except that instead of merely part of the people being stockholders all are stockholders. The corporation has a board of six directors, two of whom are elected every two years for a term of six years, thus affording the possibility of a continuity of policy. The board of directors of the Metropolitan Utilities District enjoys all the powers and freedom of activity usually exercised by such officers of a private corporation—and I might pause here to say that that is just what the committee bill does with this larger activity at Muscle Shoals—including the sole control of its finances and the determination of the rates to be charged for public service rendered by the utilities operated by the district. The board also chooses its chairman and appoints and fixes the salary of a general manager, who serves at the will of the board, and in turn the general manager appoints, discharges, and fixes the compensation of all other employees, subject only to the general control of the board of directors. That likewise is practically provided for on the larger scale in the committee bill in this case. The board may also borrow money to meet temporary requirements, up to an amount not exceeding \$200,000, and may submit to the voters of the district bond propositions for construction and improvements in connection with the utilities under its control.

The unique features of this plan are apparent, and may be shortly enumerated as follows: The city council has nothing to do whatever with Omaha's publicly owned utilities: all authority respecting same is vested in the Metropolitan Utilities District; the district is without authority to tax, and hence must depend wholly for its income upon the charges it prescribes and collects for utility service; out of its income the district must pay all costs of operation, maintenance, depreciation, interest on any outstanding bonds issued for the acquisition or construction of utilities, and in addition, provide a sinking fund for the payment of such bonds as they mature. This sinking fund for each utility has always equaled or exceeded the taxes that would have been paid were the utility privately owned. In short, the Metropolitan Utilities District is practically identical with a private corporation, its officials being intrusted with going concerns, the necessary assets in connection therewith in the way of working capital, and the unavoidable responsibility of making good. As a result, the accounts of the utilities are kept separately, and each is operated for a small surplus, after providing for all expenses, maintenance, fixed charges, and reserves. If such surplus persists or increases, a dividend is ultimately declared to the stockholders in the form of a rate reduction.

UTILITIES ACQUIRED

In 1912, after a contest covering 16 years, Omaha's water plant was taken over at a cost of about \$6,500,000, or about a million and a quarter in excess of its value.

We must bear in mind that for 16 years this question was in litigation, and it was finally determined by the Supreme Court of the United States, sitting in this Capitol Building.

In 1917 authority was granted by the legislature to go into the ice business, and two plants, with a combined capacity of 200 tons per day, have been constructed, together with long storages, for 29,000 tons of ice, at a total cost of about \$700,000.

In 1920 the gas plant of the Omaha Gas Co. was acquired at a cost of about \$5,000,000, or about a million and a half in excess of its value.

RESULTS OF OPERATION—WATER PLANT

In 1913, or within a year of the acquisition of the water plant, the first water-rate reduction was afforded the people of Omaha. Since then seven more reductions have been made, and the total reduction from the maximum rate now amounts to 52½ per cent. Lest the people forget, water bills are rendered at the rate formerly charged by the Omaha Water Co., then in large red letters there is stamped on each bill "Public ownership reduction 52½ per cent," and the discount is figured out and deducted so that each consumer may know what his saving amounts to when he pays his bill.

Financial statement, year ending August 31, 1924

Income	\$1,286,000
Expenses and interest	\$855,000
Reserves for depreciation, sinking fund, etc.	372,000
	1,228,000
Surplus	58,000

BALANCE SHEET, AUGUST 31, 1924

Assets:	
Cost of water plant, including materials and supplies	10,375,000
Accounts receivable	754,000
Investments, bonds, etc.	494,000
Cash	291,000
Total	11,914,000
Liabilities:	
Water bonds outstanding	6,892,000
Accounts payable	142,000
Reserves and surplus	4,880,000
Total	11,914,000

These "reserves and surplus" of \$4,880,000 have been accumulated in 12 years and 1 month. The approximate total savings in reduced water rates for the same period amount to \$3,440,000. Add this to the "reserves and surplus" and we have \$8,320,000, or about \$1,820,000 more than the water plant cost in 1912.

ICE PLANT

The first ice plant of 100 tons capacity and 9,000 tons storage was completed in January, 1919. A second 100-ton plant with a 20,000-ton storage was constructed some two years later. As a result, in the heated season the plants can afford 1,000 tons per day. Ice is sold at wholesale in ton lots, delivered. Retail ice is sold from 45 neighborhood ice stores in 5-cent chunks or larger at 30 cents per 100 pounds. Ten thousand patronize these magnified ice boxes, on vacant lots, daily in the summer time. They come in automobiles, with wheelbarrows, women with dish pans, with baby carriages, and boys with toy wagons. In fact, little wagons are also kept on sale for the boys, so they may do a delivery business.

Financial statement, year ending August 31, 1924

Income	\$235,000
Expenses, including interest	\$164,000
Reserves for depreciation, sinking fund, etc.	44,000
	208,000
Surplus	27,000

BALANCE SHEET YEAR ENDING AUGUST 31, 1924

Assets:	
Cost of plants, including materials and supplies	692,000
Accounts receivable	22,000
Cash on hand	52,000
Total	766,000
Liabilities:	
Money borrowed and not repaid	200,000
Accounts payable	12,000
Surplus	554,000
Total	766,000

From the above balance sheet it is evident that in the little more than five years of operation the public ice plants, which have cost \$692,000, have paid for themselves all but \$138,000 from the sale of 30-cent ice. When the first plant was constructed the cost of delivered retail ice in Omaha was from 70 cents to 80 cents per 100 pounds. Now delivered ice is 50 cents per 100 pounds from the private plants, which also sell "cash and carry" ice at the municipal price of 30 cents. Yet the public plant only supplies about a third of the ice used in Omaha, so that the four private plants are all still in business, doing well, but not profiteering. It might be stated here that it costs more to make ice in Omaha to-day than when the ice companies were charging 70 and 80 cents per 100 pounds.

GAS PLANT

Omaha purchased its gas plant in 1920, taking possession July 1 of that year. The cost thereof, including supplies, and so forth, was about \$5,000,000, or in the neighborhood of

\$1,500,000 in excess of what the city should have paid therefor. A commission of three eminent engineers was called in to determine the gas rate that should be charged the citizens as the result of the purchase at the price paid; but since then three reductions have been made in the gas rate, and a fourth reduction is announced for the first of the year, although the present rate is 75 cents for the first 500 cubic feet or less and \$1.10 per 1,000 cubic feet, varying down to 90 cents for all additional used. The results from the operation of this gas plant have been quite remarkable and develop the fact that the efficiency is quite equal to, if not superior to, that of many of the gas plants throughout the country, as indicated by the following statement:

Financial statement, year ending August 31, 1924

Income	\$2,093,000
Expenses, discounts, and bond interest	\$1,407,000
Reserves for depreciation, sinking fund, etc.	389,000
	1,796,000
Surplus	297,000

BALANCE SHEET, YEAR ENDING AUGUST 31, 1924

Assets:	
Cost of gas plant, including materials and supplies	6,164,000
Accounts receivable	349,000
Investments, bonds purchased	912,000
Cash on hand	174,800
Total	7,599,000
Liabilities:	
Bonds outstanding	5,000,000
Accounts payable	221,000
Reserves and surplus	2,378,000
Total	7,599,000

It will be noted from the above balance sheet that as the result of the operation of the gas plant for three years and one month there has been accumulated as reserves and surplus \$2,378,000, while the people of the city are enjoying, as before stated, gas rates for an excellent quality of gas as low as any enjoyed in a country under similar conditions. If the present policy is continued, it is evident that it will not be long before Omaha's gas plant is paid for, just as in the case of the ice plant.

The above examples indicate what can be accomplished when people do for themselves, utilizing the advantage of securing through public credit 4½ per cent money for the establishment and operation of public utilities. The difference between 4½ per cent money and 6 per cent money means the wiping out of the cost of the plant in 31 years. The difference between 4½ per cent money and 8 per cent money means the wiping out of the cost of the plant in a very much shorter period.

Not only have the above results been accomplished by the people of Omaha, but as a by-product they have secured a reduction of lighting rates from 14 cents in 1912, when under the leadership of my colleague [Mr. HOWELL] Omaha took its first step in public ownership by acquiring its water plant, to 6 cents gross or 5½ cents net in 1924.

Although they have not constructed an electric-light plant, as I think my colleague stated the other day, the very threat of public ownership of that kind has had the effect of reducing the rates of the private company from 14 cents, originally, down to a net of 5½ cents now.

It seemed to me, Mr. President, perhaps I was not the one who could best tell the story, but that it ought to be told here since the question has been raised as to whether public utilities can be operated by public utility boards and by communities and cities owning their own public utilities.

Mr. BROOKHART. I offer two amendments to the Underwood substitute, which I ask may be printed and lie on the table.

The PRESIDENT pro tempore. The amendments will be received, printed, and lie on the table.

INVESTIGATION OF WASHINGTON HERALD EDITORIAL

Mr. SPENCER. Mr. President, I ask unanimous consent to submit from the Committee on the Judiciary a report on the matter of the editorial in the Washington Herald concerning the senior Senator from Alabama [Mr. UNDERWOOD], and I ask for its immediate consideration.

The PRESIDENT pro tempore. Is there objection to the request of the Senator from Missouri?

Mr. NORRIS. I prefer to have the report read before we decide whether there is any objection to its consideration.

The PRESIDENT pro tempore. The report will be read. The reading clerk read the report (No. 823), as follows:

EDITORIAL IN WASHINGTON HERALD DECEMBER 13, 1924, CONCERNING THE SENIOR SENATOR FROM ALABAMA, MR. UNDERWOOD

Mr. SPENCER, from the Senate Committee on the Judiciary, submitted the following report:

On Saturday, December 13, the Senate by unanimous consent, at the request of the senior Senator from Alabama [Mr. UNDERWOOD] referred to the Judiciary Committee of the Senate an editorial printed in the Washington Herald on that morning with instructions "to report concerning the facts involved, to call this editor before them, to ascertain the truth or falsity of the charges against me, and as to whether any man in all this broad land can be found to substantiate a single one of the charges that have been uttered in this newspaper."

The editorial referred to reads as follows:

"[Editorial in the Washington Herald December 13, 1924]

"ANOTHER TEAPOT DOME IS THRUST UPON MR. COOLIDGE

"President Coolidge is a wise, courageous, and patriotic leader. Once he has gone to the bottom of a subject he is likely to decide rightly about it. Therefore, the country can have confidence that President Coolidge will disregard those advisers who seek his support of the Underwood bill, now in the Senate, authorizing the Secretary of War to 'lease' Muscle Shoals for 50 years to the Alabama Power Co.

"President Coolidge can not afford and does not want a Teapot Dome scandal in his administration. He is being offered a greater scandal in this proposal of Senator OSCAR UNDERWOOD.

"Who is OSCAR UNDERWOOD? He is an able man, capable of high statesmanship, but since his entrance into Congress his ability and his statesmanship have often been at the service of the railroads and the other great corporations seeking public privileges without paying for them. Just now his talents and ability are working in the interest of the central figure in the Electric Power Trust—the General Electric Co. It owns the Electric Bond & Share Co., which has stock ownership and its own directors in Mr. UNDERWOOD's Alabama Power Co., to which the Senate of the United States is asked to give away the second most valuable property of the Nation, second only to the Panama Canal.

"The Government of the United States has spent \$135,000,000 at Muscle Shoals, beginning the project in war time. This \$135,000,000 of property constitutes perhaps the most valuable manufacturing property in the world. It includes two entire towns, scores of miles of railroad, two huge steam-power plants, and two great nitrate factories, one of them the largest of its kind in the world. Finally—and this is what the Power Trust is after—Muscle Shoals has the huge Wilson Dam and power house, which converts the rushing river into 100,000 horsepower of electric energy. When the Government has completed the additional dams and storage reservoirs in the Tennessee River it will be providing 500,000 horsepower—a second Niagara.

"The Power Trust, always wise and always awake, is terrified at the prospect of Senator NORRIS's bill. Senator NORRIS wants a Federal power corporation to distribute that electricity to southeastern consumers at cost.

"If the United States Government is allowed to use its own electricity at Muscle Shoals to demonstrate how cheaply electricity can be sold, it would destroy the richest source of private monopoly profits in the Nation.

"Within a year every section of the country would be proceeding with a similar public-owned hydroelectric development. Or, in anticipation of such development, the private electric-light companies would be scaling their rates down to a decent level.

"The interests behind the Underwood bill are perfectly obvious. It would be wrong to give the Muscle Shoals power away to a private power corporation under any conditions. It is a crime to give it away for such a miserable pittance as a 4 per cent rental—not 4 per cent on the entire \$135,000,000, but 4 per cent only on the \$45,000,000 that the Wilson Dam cost.

"The Power Trust is to be given \$90,000,000 outright in return for doing us the service of blocking an immediate opportunity to operate a magnificent public-owned power plant, eventually big enough to serve the entire South.

"Muscle Shoals is purely a power proposition. All talk of making cheap fertilizer for the farmers there is pure buncombe and the Underwood bill advocates know it.

"Secretary Weeks, said to be desirous of retiring on March 4, will be the man to give away Muscle Shoals, if it is given away. Secretary Fall, a member of President Harding's Cabinet, thus alienated the Navy's oil reserves, incomparably less valuable than 50 years' ownership of half a million electric horsepower.

"President Coolidge is too wise to want another Teapot Dome in the Cabinet at Washington."

It appeared not only in the Washington Herald on the morning of December 13 but as well in all the morning so-called Hearst papers throughout the United States. It was written by Mr. Edwin J. Clapp, who is the editor of the New York American and is connected with the "Hearst papers in general," and who came to Washington "just as the Muscle Shoals was opening up, and I came for that particular purpose."

Mr. Clapp very frankly and fully explained to the committee what he had in mind in writing the editorial and had prepared and read to the committee a comprehensive statement of the matters out of which the editorial arose. He disclaimed any intention of making an attack upon Senator UNDERWOOD personally. He characterized the editorial as "an attack on a policy and not on a person." No evidence was submitted, nor was it claimed that any evidence existed that in any way reflected upon the integrity or honor or character of Senator UNDERWOOD. The personal vindication of Senator UNDERWOOD was full and complete, and it was repeatedly denied that in the editorial there was any intent to make any personal reflection upon Senator UNDERWOOD. The language of the editorial was explained in detail.

The statement of the editorial that "the Underwood bill now in the Senate authorizing the Secretary of War to 'lease' Muscle Shoals for 50 years to the Alabama Power Co." was declared by Mr. Clapp not at all to intimate that the bill was intended "to lease Muscle Shoals for 50 years to the Alabama Power Co." for it was frankly admitted that the Alabama Power Co. was not mentioned in the bill, but it was claimed that inasmuch as the bill provided for a general lease of Muscle Shoals without designating any lessee, and because the writer believed the Alabama Power Co. the most likely lessee, the language used in the editorial was written by him.

The comparison to the so-called "Teapot Dome scandal" and the statement in the editorial that there was now "being offered a greater scandal in this proposal of Senator OSCAR UNDERWOOD" did not, in the opinion of Mr. Clapp, indicate anything corrupt or dishonest, but merely indicated that in his judgment the minimum price required by the bill for the rental of Muscle Shoals, together with the possibility that the lease might be made without full and fair competition, and the judgment of the writer that there should be "specific hearings upon this bill" were the sole bases for the use of the word "scandal."

The question was asked of the witness directly: "Q. You had no idea in this of charging anything sinister or dishonest?—A. No; not at all against Senator UNDERWOOD; nothing at all against Senator UNDERWOOD." The witness also expressed the opinion that in the Teapot Dome matter, to which he had referred, there was nothing corrupt. "I do not know of any corruption in the Teapot Dome."

"Q. Do you then mean to say there was nothing corrupt about it?—A. No, sir; there was nothing corrupt in the Teapot Dome. I think it was a very injudiciously and carelessly made lease. That is all."

The statement in the editorial referring to Senator UNDERWOOD, that "his ability and his statesmanship have often been at the service of railroads and the other great corporations seeking public privileges without paying for them," referred merely to his general legislative experience, with some of which the writer did not agree and with some of which he did agree, but in all of which he admitted Senator UNDERWOOD's conduct was characterized by sincerity and carried out in honor, and yet, in the opinion of the writer, some of the legislative acts of Mr. UNDERWOOD were approved by or favorable to railroads or other corporations, and this was the sum and substance of the reason for writing as he did.

He especially stated that "we neither assert or imply that Senator UNDERWOOD has been corruptly or wrongfully influenced by any private interest."

"Q. Do you mean to say that Senator UNDERWOOD was governed or influenced by any improper motive?—A. Not the slightest."

The reference in the editorial to "Mr. UNDERWOOD's Alabama Power Co." was not, according to the witness, to indicate any idea of possession on the part of Mr. UNDERWOOD or of identification with the Alabama Power Co., either by way of employment or interest, or any other direct or indirect connection with the company itself.

"Q. You do not intend to allege that Senator UNDERWOOD was at any time in the pay of the Alabama Power Co., or any way directly interested in it or indirectly interested in it?—A. No. I am a gentleman and man of honor, and I assume Senator UNDERWOOD is, too. And that he can construe my words to mean anything of that kind is beyond me. It is his conception and not a fair construction.

"Q. Do you wish to say that he [Senator UNDERWOOD] is a man of honor?—A. Not only want to say it, but I do not think anything else."

The language used in the editorial about giving away "the second most valuable property of the Nation, second only to the Panama Canal," referred merely, according to the witness, that in his judgment the compensation provided in the bill for the leasing of the Muscle Shoals was so inadequate as to be "practically a gift."

The witness answered the statement made in the editorial, which statement is as follows:

"Muscle Shoals is purely a power proposition. All talk of making cheap fertilizer for the farmers there is pure buncombe, and the Underwood bill advocates know it"—

by replying as follows:

"Q. I presume that we agree that Senator UNDERWOOD was the chief advocate of that bill. Does he know it is buncombe?—A. If I argue with you and I think you have a very vulnerable proposition, I say that you are wrong and you know it. That does not mean you are saying something that is a lie, but if you will use your intelligence you will come to a different conclusion than what you have."

The committee are of the opinion that the editorial as published created an entirely false and unfounded impression in the minds of the average reader. No other conclusion is reasonable than that in the mind of the average reader there would have been aroused a clear impression that there was something sinister, corrupt, or dishonest in the conduct and relation of Senator UNDERWOOD to the Muscle Shoals proposition. There is not the slightest basis of fact for any such impression. The editorial was neither fair nor honest. The frank statement of Mr. Clapp, who wrote the editorial, as to what was in his mind and what he intended is not the impression which the editorial created; and your committee therefore presents to the Senate its condemnation of the editorial and the complete exoneration of Senator UNDERWOOD in the matter, which can perhaps best be stated in the language of the witness:

"Senator OVERMAN. You never intended to reflect on Senator UNDERWOOD as being corrupt in any respect?"

"Mr. CLAPP. Not the slightest."

"Senator OVERMAN. And you have here no proof to show that he was corrupt in anything regarding his individual acts?"

"Mr. CLAPP. I have not tried to bring any proof."

"Senator OVERMAN. And you can not?"

"Mr. CLAPP. I have not attempted to."

"The CHAIRMAN (Senator SPENCER). So far as you know, you do not know of any?"

"Mr. CLAPP. No, sir."

"Counsel for Mr. Clapp (Mr. STEINER). And you never thought of that?"

"Mr. CLAPP. I never thought of such a thing."

Mr. SPENCER. I move that the report be adopted.

The PRESIDENT pro tempore. The Senator from Missouri asks unanimous consent for the consideration of the report. Is there objection? The Chair hears none, and the report is before the Senate. The Senator from Missouri moves the adoption of the report. The question is on the motion of the Senator from Missouri. [Putting the question.] It is unanimously agreed to.

MISSOURI RIVER BRIDGES

Mr. SHEPPARD. I am directed by the Committee on Commerce, to which was referred the bill (S. 3610) authorizing the construction of a bridge across the Missouri River near Arrow Rock, Mo., to report it favorably with amendments, and I submit a report (No. 824) thereon. I ask for the immediate consideration of the bill.

There being no objection, the Senate, as in Committee of the Whole, proceeded to consider the bill.

The amendments were, on page 1, line 7, after the word "at," to strike out "or near" and to insert "a point suitable to the interests of navigation at or near," and on page 2, to strike out lines 1 to 4, inclusive, and to renumber section 3, so as to make the bill read:

Be it enacted, etc., That the consent of Congress is hereby granted to the St. Louis-Kansas City Short Line Railroad Co., a corporation of the State of Missouri, and their successors and assigns, to construct, maintain, and operate a bridge and approaches thereto across the Missouri River at a point suitable to the interests of navigation at or near the town of Arrow Rock, in the State of Missouri, in accordance with the provisions of the act entitled "An act to regulate the construction of bridges over navigable waters," approved March 23, 1906.

SEC. 2. That the right to alter, amend, or repeal this act is hereby expressly reserved.

The amendments were agreed to.

The bill was reported to the Senate as amended, and the amendments were concurred in.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

Mr. SHEPPARD. I am directed by the Committee on Commerce, to which was referred the bill (S. 3611) authorizing the construction of a bridge across the Missouri River near St. Charles, Mo., to report it favorably with amendments and I submit a report (No. 825) thereon. I ask for the immediate consideration of the bill.

There being no objection, the Senate, as in Committee of the Whole, proceeded to consider the bill.

The amendments were, on page 1, line 7, after the word "point" to insert "suitable to the interests of navigation"; and on page 2 to strike out lines 3 to 6, inclusive, and to renumber section 3 so as to make the bill read:

Be it enacted, etc., That the consent of Congress is hereby granted to the St. Louis-Kansas City Short Line Railroad Co., a corporation of the State of Missouri, and their successors and assigns to construct, maintain, and operate a bridge and approaches thereto across the Missouri River at a point suitable to the interests of navigation about 4 miles south of west of the city of St. Charles, in the county of St. Charles, Mo., to a point in St. Louis County in said State, in accordance with the provisions of the act entitled "An act to regulate the construction of bridges over navigable waters," approved March 23, 1906.

SEC. 2. That the right to alter, amend, or repeal this act is hereby expressly reserved.

The amendments were agreed to.

The bill was reported to the Senate as amended, and the amendments were concurred in.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Farrell, one of its clerks, communicated to the Senate the intelligence of the death of Hon. JULIUS KAHN, late a Representative from the State of California, and transmitted the resolutions of the House thereon.

EXECUTIVE SESSION

Mr. CURTIS. Mr. President, I have advised a number of Senators that because of the death of Representative KAHN, of California, whose untimely end we all sincerely mourn, the Senate would adjourn early this afternoon and that there would be no yea-and-nay vote after 4 o'clock. I move that the Senate proceed to the consideration of executive business, with the view of returning to legislative session to enable the Senator from California [Mr. JOHNSON] to offer the usual resolution.

The PRESIDENT pro tempore. The Senator from Kansas moves that the Senate proceed to the consideration of executive business.

The motion was agreed to, and the Senate proceeded to the consideration of executive business. After five minutes spent in executive session the doors were reopened.

DEATH OF REPRESENTATIVE JULIUS KAHN

The PRESIDENT pro tempore. The Chair lays before the Senate a resolution from the House of Representatives, which will be read.

The reading clerk read the resolution (H. Res. 385), as follows:

Resolved, That the House has heard with profound sorrow of the death of Hon. JULIUS KAHN, a Representative from the State of California.

Resolved, That the Clerk communicate these resolutions to the Senate and transmit a copy thereof to the family of the deceased.

Resolved, That as a further mark of respect this House do now adjourn.

Mr. JOHNSON of California. Mr. President, it is with the utmost sorrow, which is shared by all of the Members of the House and Senate from California, that I announce the death of the dean of the California delegation, JULIUS KAHN. His great and enduring services to the Republic will hereafter be recounted. At this time I offer the resolution which I send to the desk and ask for its adoption.

The resolution (S. Res. 285) was read, considered by unanimous consent, and unanimously agreed to, as follows:

Resolved, That the Senate has heard with profound sorrow the announcement of the death of Hon. JULIUS KAHN, late a Representative from the State of California.

Resolved, That the Secretary communicate these resolutions to the House of Representatives and transmit a copy thereof to the family of the deceased.

Mr. JOHNSON of California. Mr. President, as a further mark of respect to the memory of the deceased Representative, I move that the Senate do now adjourn.

The motion was unanimously agreed to; and (at 4 o'clock and 20 minutes p. m.) the Senate adjourned until to-morrow, Saturday, December 20, 1924, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate December 19 (legislative day of December 16), 1924

MEMBER OF THE CALIFORNIA DÉBRIS COMMISSION

Maj. Henry A. Finch, Corps of Engineers, United States Army, for appointment as a member of the California Débris Commission, provided for by the act of Congress approved March 1, 1893, entitled "An act to create the California Débris Commission and regulate hydraulic mining in the State of California."

APPOINTMENTS IN THE REGULAR ARMY

MEDICAL ADMINISTRATIVE CORPS

To be second lieutenant

Staff Sergt. Sidney Daniel Kelly, Medical Department, with rank from December 13, 1924.

APPOINTMENTS, BY TRANSFER, IN THE REGULAR ARMY

FIELD ARTILLERY

Capt. Elmer Sharpe Van Benschoten, Infantry, with rank from July 1, 1920.

Second Lieut. Leighton Marion Clark, Air Service, with rank from June 12, 1924.

PROMOTION IN THE REGULAR ARMY

CHAPLAIN

To be chaplain with the rank of captain

Chaplain Elmer Alfred Huset, United States Army, from December 14, 1924.

APPOINTMENTS IN THE OFFICERS' RESERVE CORPS OF THE ARMY

TO BE MAJOR GENERAL

Anton Stephan, major general, District of Columbia National Guard.

TO BE BRIGADIER GENERAL

Thomas Francis Foley, brigadier general, Massachusetts National Guard.

POSTMASTERS

COLORADO

James S. Bradbury to be postmaster at Silt, Colo., in place of L. A. Barnes, deceased.

GEORGIA

Camillus L. Roberds to be postmaster at Villa Rica, Ga., in place of H. G. Roberds, resigned.

William C. Griffin to be postmaster at Tunnel Hill, Ga., in place of S. F. Baldwin. Office became third class January 1, 1923.

J. Percy Freeman to be postmaster at Stone Mountain, Ga., in place of R. L. Ehman, resigned.

Sam N. Thompson to be postmaster at East Point, Ga., in place of J. L. Heard, resigned.

Albert Lunceford to be postmaster at Union Point, Ga., in place of J. H. Lunceford. Incumbent's commission expired July 28, 1923.

William H. Blitch to be postmaster at Statesboro, Ga., in place of F. R. Hardisty. Incumbent's commission expired July 28, 1923.

Emory Davis to be postmaster at Rutledge, Ga., in place of E. B. Oxford. Incumbent's commission expired June 4, 1924.

James M. Guy to be postmaster at Manchester, Ga., in place of G. C. Thompson. Incumbent's commission expired July 28, 1923.

James A. Allen to be postmaster at La Fayette, Ga., in place of A. S. Sparks, sr. Incumbent's commission expired September 26, 1922.

Uno L. Carmical to be postmaster at College Park, Ga., in place of L. H. Williams. Incumbent's commission expired June 4, 1924.

Harry P. Womelsdorf to be postmaster at Cartersville, Ga., in place of W. W. Daves. Incumbent's commission expired September 5, 1923.

IDAHO

Homar W. Woodall to be postmaster at Soda Springs, Idaho, in place of H. W. Woodall. Incumbent's commission expired February 4, 1924.

George O. Tolman to be postmaster at Albion, Idaho, in place of W. M. Sears. Incumbent's commission expired June 5, 1924.

KANSAS

Robert H. Montgomery to be postmaster at Oswego, Kans., in place of W. A. Blair, removed.

Robert F. Tyler to be postmaster at Moline, Kans., in place of Christina Walker. Incumbent's commission expired June 4, 1924.

Harry W. Bouck to be postmaster at Girard, Kans., in place of W. L. Ringo. Incumbent's commission expired June 4, 1924.

Fred J. Smith to be postmaster at Galena, Kans., in place of G. W. Long. Incumbent's commission expired June 4, 1924.

Verney C. Wallar to be postmaster at Caney, Kans., in place of T. A. Stevens. Incumbent's commission expired June 4, 1924.

Fred H. Bartlett to be postmaster at Baxter Springs, Kans., in place of C. L. Smith. Incumbent's commission expired June 4, 1924.

MARYLAND

F. Earle Dowling to be postmaster at Western Port, Md., in place of C. F. Peters, resigned.

Victor R. Mumma to be postmaster at Sharpsburg, Md., in place of W. H. Snyder, resigned.

William B. Cutshall to be postmaster at Woodsboro, Md., in place of O. S. Barrick. Incumbent's commission expired June 4, 1924.

Luther B. Miller to be postmaster at Williamsport, Md., in place of B. C. Lefever. Incumbent's commission expired September 30, 1923.

Grace Rowe to be postmaster at Emmitsburg, Md., in place of R. C. Foreman. Incumbent's commission expired June 4, 1924.

MINNESOTA

William E. Paulson to be postmaster at Benson, Minn., in place of W. E. Lawson. Incumbent's commission expired June 5, 1924.

NEW JERSEY

Stephen T. Garrison to be postmaster at Port Norris, N. J., in place of Harrison Hollinger. Incumbent's commission expired June 5, 1924.

NORTH DAKOTA

Erick Myhre to be postmaster at Hampden, N. Dak., in place of J. R. Williams, resigned.

PENNSYLVANIA

Viola M. Truax to be postmaster at Robertsdale, Pa., in place of D. L. Barnett, deceased.

Ursula Shelley to be postmaster at Richfield, Pa., in place of J. G. Shelley, deceased.

Lillian K. Strong to be postmaster at Columbia Cross Roads, Pa., in place of J. E. Cunningham. Office became third class April 1, 1924.

WISCONSIN

Martin F. Walter to be postmaster at West Bend, Wis., in place of J. F. Huber, deceased.

CONFIRMATIONS

Executive nominations confirmed by the Senate December 19 (legislative day of December 16), 1924

POSTMASTERS

KANSAS

Clitus B. Hosford, Lawrence.

MINNESOTA

Svend Petersen, Askov.

Nels E. Berg, Cokato.

John R. Norgren, Foreston.

Percy Cole, Isle.

Everett R. Vitilas, Shafer.

MISSOURI

Harry G. Pippenger, Fairmount.

MONTANA

Richard Brimacombe, Butte.

Alice L. Cory, East Helena.

Mary A. Dolin, Medicine Lake.

NEBRASKA

J. Lyndon Thornton, Fairbury.

NEW YORK

Charles E. Hardy, Hudson.

Mary A. Fryer, St. James.

Chris Fox, St. Johnsville.

Belle M. Clark, Silver Springs.

Agnes Siems, Wantagh.

PENNSYLVANIA

Martin C. Flegal, Avis.

Thomas P. Delaney, Castle Shannon.

Edward J. Fleming, Cochranston.
 Minnie E. Lewis, Covington.
 Charles H. Lapsley, Glassport.
 Grace S. Albright, Hyndman.
 Jules C. Luyten, Indianola.
 Samuel L. Boyer, Library.
 William E. Schaeffer, Manorville.
 Albert R. Morgan, Nemaquin.
 Samuel S. Ulerich, New Florence.
 Walter D. Gibson, Renton.
 Herbert O. Hornbake, South Brownsville.
 Emma E. Forster, Wall.
 Jenny Paterson, Yukon.

HOUSE OF REPRESENTATIVES

FRIDAY, December 19, 1924

The House met at 12 o'clock noon, and was called to order by the Speaker.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Almighty and eternal God, our faith looks up to Thee. Again the silver cord has been loosed and the golden bowl broken. One whose mind was alert, whose spirit was aggressive, whose energy was untiring, whose genial presence and wholesome manner we loved, such a one has passed this way for the last time. He was a wise counselor and servant of the public. Comfort the bereaved loved ones with hopes and promises of the infinite beyond, where earth's music shall be gathered into one undying song and the bonds of eternal love never broken. Thank God for the realm beyond the shadows where the sun never sets and the stars never fade and the rainbow never dies out of the everlasting skies. Amen.

The Journal of the proceedings of yesterday was read and approved.

TREASURY AND POST OFFICE APPROPRIATION BILL

Mr. MADDEN, by direction of the Committee on Appropriations, reported the bill (H. R. 10982) making appropriations for the Treasury and Post Office Departments for the fiscal year ending June 30, 1926, and for other purposes, which was read a first and second time, and, with the accompanying report (No. 1056), was referred to the Union Calendar and ordered printed.

Mr. BYRNS of Tennessee. Mr. Speaker, I reserve all points of order on the bill.

The SPEAKER. The gentleman from Tennessee reserves all points of order on the bill.

SENATE BILL REFERRED

Under clause 2, Rule XXIV, Senate bill of the following title was taken from the Speaker's table and referred to its appropriate committee, as indicated below:

S. 3509. An act to change the time for the holding of terms of court in the eastern district of South Carolina; to the Committee on the Judiciary.

ENROLLED BILLS SIGNED

Mr. ROSENBLOOM, from the Committee on Enrolled Bills, reported that they had examined and found truly enrolled bills of the following titles, when the Speaker signed the same:

H. R. 10650. An act to authorize the settlement of the indebtedness of the Republic of Lithuania to the United States of America;

H. R. 10651. An act to authorize the settlement of the indebtedness of the Republic of Poland to the United States of America, and for other purposes;

H. R. 6941. An act granting pensions and increase of pensions to certain soldiers and sailors of the Civil War and certain widows and dependent children of soldiers and sailors of said war; and

H. R. 8657. An act to amend section 98 of the Judicial Code, providing for the holding of the United States district court at Shelby, N. C.

RESIGNATIONS FROM COMMITTEES

The SPEAKER. The Chair lays before the House the following communications, which the Clerk will report.

The Clerk read as follows:

CONGRESS OF THE UNITED STATES,
 HOUSE OF REPRESENTATIVES,
 Washington, D. C., December 17, 1924.

Hon. FREDERICK H. GILLET, *Speaker of the House of Representatives, Washington, D. C.*

MR. SPEAKER: I hereby resign from membership on the Committee on Coinage, Weights, and Measures.

Respectfully yours,

CHARLES L. GIFFORD.

CONGRESS OF THE UNITED STATES,
 HOUSE OF REPRESENTATIVES,
 Washington, D. C., December 18, 1924.

Hon. FREDERICK H. GILLET, *Speaker of the House of Representatives, Washington, D. C.*

DEAR MR. SPEAKER: I hereby tender my resignation as a member of the Committee on the Merchant Marine and Fisheries.

Yours very truly,

ROBERT M. LEACH.

ELECTION OF MEMBERS TO VACANCIES ON COMMITTEES

Mr. LONGWORTH. Mr. Speaker, I ask unanimous consent that the vacancy caused by the resignation, just read, of Mr. LEACH from the Committee on the Merchant Marine and Fisheries shall be filled by the appointment of Mr. GIFFORD, and that the vacancy caused by the resignation of Mr. GIFFORD from the Committee on Coinage, Weights, and Measures be given to Mr. LEACH.

The SPEAKER. Without objection, it will be so ordered. There was no objection.

JOINT INAUGURATION COMMITTEE

Mr. LONGWORTH. Mr. Speaker, I ask unanimous consent to take from the Speaker's table Senate Concurrent Resolution No. 23, relating to the appointment of a joint committee of the two Houses to make arrangements for the inauguration of the President elect on the 4th of March next.

The SPEAKER. The gentleman from Ohio asks unanimous consent for the present consideration of Senate Concurrent Resolution No. 23, which the Clerk will report.

The Clerk read as follows:

Senate Concurrent Resolution 23

Resolved by the Senate (the House of Representatives concurring), That a joint committee consisting of three Senators and three Representatives, to be appointed by the President of the Senate and the Speaker of the House of Representatives, respectively, is authorized to make the necessary arrangements for the inauguration of the President elect of the United States on the 4th of March next.

The SPEAKER. Is there objection to the present consideration of the resolution?

There was no objection.

The SPEAKER. The question is on agreeing to the resolution.

The resolution was agreed to.

The SPEAKER. The Chair appoints as members of the joint committee on the part of the House Mr. GRIEST, Mr. HADLEY, and Mr. ROUSE.

NAVY DEPARTMENT APPROPRIATION BILL

Mr. FRENCH. Mr. Speaker, I move that the House resolve itself into Committee of the Whole House on the state of the Union for the further consideration of the bill (H. R. 10724) making appropriations for the Navy Department and the naval service for the fiscal year ending June 30, 1926, and for other purposes.

The motion was agreed to.

The SPEAKER. The gentleman from Illinois [Mr. CHINDBLOM] will resume the chair.

Thereupon the House resolved itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill (H. R. 10724) making appropriations for the Navy Department and the naval service for the fiscal year ending June 30, 1926, and for other purposes, with Mr. CHINDBLOM in the chair.

The CHAIRMAN. The House is in Committee of the Whole House on the state of the Union for the further consideration of the bill H. R. 10724, which the Clerk will report by title.

The Clerk read as follows:

A bill (H. R. 10724) making appropriations for the Navy Department and the naval service for the fiscal year ending June 30, 1926, and for other purposes.

The CHAIRMAN. The Clerk will continue the reading of the bill for amendment.

The Clerk read as follows:

CONTINGENT, BUREAU OF MEDICINE AND SURGERY

For tolls and ferriages; purchase of books and stationery; hygienic and sanitary investigation and illustration; sanitary, hygienic, and special instruction, including the issuing of naval medical bulletins and supplements; purchase and repairs of nonpassenger-carrying wagons, automobile ambulances, and harness; purchase of and feed for horses and cows; maintenance, repair, and operation of three passenger-carrying motor vehicles for naval dispensary, Washington, D. C., and of one motor-propelled vehicle for official use only for the medical officer on out-patient medical service at the Naval Academy; trees, plants, care of grounds, garden tools, and seeds; incidental articles for the Naval Medical School and naval dispensary, Washington, naval medical supply depots, sick quarters at Naval Academy and marine barracks; washing for medical department and Naval Medical School and naval dispensary, Washington, naval medical supply depots, sick quarters at Naval Academy and marine barracks, dispensaries at navy yards and naval stations and ships; and for minor repairs on buildings and grounds of the United States Naval Medical School and naval medical supply depots; rent of rooms for naval dispensary, Washington, D. C., not to exceed \$1,200; for the care, maintenance, and treatment of the insane of the Navy and Marine Corps on the Pacific coast, including supernumeraries held for transfer to the Government Hospital for the Insane; for dental outfits and dental material; and all other necessary contingent expenses; in all, \$375,000.

Mr. BUTLER. Mr. Chairman, I have an amendment which I wish to offer to the bill.

The CHAIRMAN. The gentleman from Pennsylvania offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. BUTLER: Page 34, line 11, after the amount insert "": *Provided*, That the Secretary of the Navy be, and he is hereby, authorized to construct necessary additional buildings at the naval hospitals at Chelsea, Mass.; Newport, R. I.; New York, N. Y.; League Island, Pa.; Norfolk, Va.; Great Lakes, Ill.; Puget Sound, Wash.; Guam, and Canacao, P. I., at a total cost not to exceed \$790,500, which total expenditure for the purposes aforesaid shall be made from the naval hospital fund."

Mr. BLANTON. Mr. Chairman, I make a point of order against that on the ground that it is legislation on an appropriation bill, unauthorized by law, and that it is for new construction and a change of existing law unauthorized. I will reserve it if the gentleman from Pennsylvania desires to be heard.

The CHAIRMAN. The gentleman from Texas reserves a point of order on the amendment.

Mr. BUTLER. Mr. Chairman, the gentleman is entirely right on the point of order.

We ask only what is absolutely necessary for the men to have, to take care of the sick in the Navy.

This money does not come from the Treasury of the United States. It is a contribution made by the boys themselves, of 20 cents a month and fines and forfeitures imposed upon them. The fund has now grown until it is between \$4,000,000 and \$5,000,000. It is necessary to fix up some of those institutions. The estimate was not handed to us in time, otherwise we would have introduced a bill and asked the House to pass it unanimously. This money belongs to the boys themselves, to provide better shelter and nurses to attend the sick. They own it all themselves.

Mr. BLANTON. Mr. Chairman, will the gentleman yield?

Mr. BUTLER. Yes.

Mr. BLANTON. If the gentleman could see some of the statistics that I have in my office, showing right now the number of vacancies in Government-operated hospitals from one end of the United States to the other, he would not want to embark on this enlarged building program for hospitals.

Mr. BUTLER. I know my friend is not for extravagance, and I want him to accord me the same disposition.

Mr. BLANTON. We have no opportunity now to discuss and debate a building program such as the gentleman is offering here.

Mr. BUTLER. This is only an addition and not new places. I want to say this to my friend: That the Veterans' Bureau is sending many of its sick people to these hospitals, and we must provide for them.

Mr. BLANTON. The Veterans' Bureau now has a surplus of beds all over the United States within its own hospitals.

Mr. BUTLER. I have said all I can say. This is asked by the department through the Surgeon General of the Navy, a very careful, economical man, Admiral Stitt, and whatever

Admiral Stitt recommends to us impresses us as being necessary.

Mr. BLANTON. Will the gentleman yield further?

Mr. BUTLER. Yes.

Mr. BLANTON. The gentleman is always able to get the ear of the House for his legislative committee whenever he wants it. Why not take this up in the regular way and thrash it out?

Mr. BUTLER. I will be as candid in answering the gentleman, and say I am afraid we will not have an opportunity to pass such a bill through both bodies in this short session, and these accommodations ought to be given to these sick people.

Mr. BLANTON. I regret exceedingly, Mr. Chairman, but I insist on my point of order.

Mr. FRENCH. Will the gentleman from Texas withhold it for a moment?

Mr. BLANTON. Certainly; I will withhold it.

Mr. FRENCH. Does the amendment offered by the gentleman from Pennsylvania include only the items that came to the Appropriations Committee from the Budget?

Mr. BUTLER. None other. They are items passed upon by the Budget, recommended by the department, and first submitted to the Appropriations Committee, which could not include them in the appropriation bill because they include a piece of legislation. The Appropriations Committee asked the Naval Affairs Committee to hold a hearing on these items, which we did, and that committee very cheerfully and immediately unanimously recommended them.

Mr. FRENCH. I believe I voice the sentiment of the committee when I say that the members of the committee were attracted by the necessity for these several additions, but we had no authority and for that reason did not include the items in the bill.

Mr. BLANTON. And did not put them in the bill because they are legislation.

Mr. FRENCH. We had no authority.

Mr. BLANTON. But the gentleman did include some legislative items in the bill which likewise he had no authority to put in. There are several pieces of legislation in the bill to which I could call the gentleman's attention.

Mr. FRENCH. If the gentleman will call attention to them when the time comes I shall be glad to have him do so.

Mr. BLANTON. The gentleman knows some of the items to which I refer. I have not made points of order against them but I have let them go by.

Mr. BUTLER. If the gentleman from Texas will withhold his point of order a little longer—

Mr. BLANTON. Mr. Chairman, I think we should get along with the bill. We all understand the situation, and I insist on my point of order against the amendment.

The CHAIRMAN. The gentleman from Texas makes the point of order that the proposed amendment contains legislation.

Mr. BUTLER. I concede it is subject to a point of order.

The CHAIRMAN. Does the gentleman from Pennsylvania or the gentleman from Idaho care to discuss the point of order?

Mr. FRENCH. I concede the point of order, but I was hoping it would not be made.

The CHAIRMAN. Does the gentleman from Pennsylvania desire to be heard on the point of order?

Mr. BUTLER. I do not desire to be heard on anything at this time, although I am obliged to the Chair. I would like my friend from Texas to hear me, and I am going to reason with him, because he is a reasonable man, and after I have talked with him I do not think he will turn his back on such a worthy undertaking as this.

The CHAIRMAN. All of the decisions on amendments of this character within recent years have sustained the point of order made by the gentleman from Texas, and the Chair is constrained to sustain the point of order.

The Clerk read as follows:

BUREAU OF YARDS AND DOCKS
MAINTENANCE

For the labor, materials, and supplies necessary, as determined by the Secretary of the Navy, for the general maintenance of the activities and properties now or hereafter under the cognizance of the Bureau of Yards and Docks, including the purchase, maintenance, repair, and operation of passenger-carrying vehicles for the Naval Establishment not otherwise provided for, and including not to exceed \$950,000 for clerical, inspection, drafting, messenger, and other classified work in the field, \$6,750,000: *Provided*, That during the fiscal year 1926 the Secretary of the Navy is authorized to purchase not more than 2

passenger-carrying motor-propelled vehicles, to cost not to exceed \$2,500 each, 15 passenger-carrying motor-propelled vehicles, to cost not to exceed \$1,500 each, and 30 passenger-carrying motor-propelled vehicles, to cost not to exceed \$500 each, and the Secretary of the Navy shall sell or exchange in part payment for such new vehicles not less than a corresponding number of motor-propelled passenger-carrying vehicles in use and of makes which now cost in excess of \$2,000 per vehicle to replace for each new car purchased costing \$1,500 or more: *Provided further*, That expenditures from appropriations contained in this act for the maintenance, operation, and repair of motor-propelled passenger-carrying vehicles, including the compensation of operators, shall not exceed in the aggregate \$100,000, exclusive of such vehicles owned and operated by the Marine Corps in connection with expeditionary duty without the continental limits of the United States, and on any one vehicle shall not exceed for maintenance, upkeep, and repair, exclusive of garage rent, pay of operator, fuel, and lubricants, one-third of the market price of a new vehicle of the same make or class, and in any case more than \$500.

Mr. BLANTON. Mr. Chairman, I move, on page 35, line 19, after the sum of \$6,750,000, to strike out the balance of the paragraph.

The CHAIRMAN. The gentleman from Texas offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. BLANTON: Page 35, beginning with line 20, strike out the remainder of the paragraph.

Mr. BLANTON. Mr. Chairman, this proposed appropriation for additional automobiles is extravagance gone to seed. If it had not been for some late decisions holding that a department has the right to buy passenger-carrying automobiles without special authority from Congress, when they are given money for it, I would have made a point of order against this part of the paragraph, but, of course, it having been held it is not subject to a point of order, I did not make it. But here is what our committee is asking the Congress to do, to grant authority to the department to buy all of these new passenger-carrying automobiles when the Navy Department now has so many of them it does not know what to do with them.

Let me show what we are authorizing. We are authorizing the Secretary of the Navy to purchase not more than two passenger-carrying automobiles at a cost of \$2,500 each. That is up in the Cadillac class. [Cries of "No!" "No!"] Yes; they are in the Cadillac class, because Cadillacs will be selling at that time for \$2,500 to the Government. You mark my prediction. They are in the Cadillac class, at the special price always made to the Government. What else do we authorize them to do? We authorize them to purchase 15 passenger-carrying motor vehicles to cost not to exceed \$1,500 each. They are in the Studebaker class. Two new Cadillacs and 15 new Studebakers! And then this bill authorizes them to buy 30 passenger-carrying motor-propelled vehicles to cost not exceeding \$500 each. That is up in the Chevrolet class. Here are 2 new Cadillacs, 15 new Studebakers, and 30 new Chevrolet passenger-carrying vehicles given to this department by this paragraph. We have already furnished the Secretary of the Navy with a fine limousine for himself, a \$5,000 limousine possibly, because most of our Cabinet officers have that class of limousines. We have not only furnished most of the admirals with good, fine limousines but now we are preparing to give their bureau chiefs and subchiefs throughout the department passenger-carrying automobiles for their own use.

I am not going to vote for it. You can pass it, I guess, but it is not in accord with the program of economy as set by your President. It is not in accord with the program of economy that caused the people to reelect your President. It is not in accord with the program of economy of your party or of mine, and it ought to stop.

Mr. TABER. Will the gentleman yield?

Mr. BLANTON. Certainly.

Mr. TABER. Has the gentleman read the hearings on this particular subject?

Mr. BLANTON. I think I have devoted more time and attention to it, possibly, than the gentleman has himself.

Mr. TABER. Perhaps; does the gentleman realize that last year and for several years past \$175,000 was allowed for the operation of these vehicles and that this year we have cut it to \$100,000?

Mr. BLANTON. To \$100,000, yes. Why should you allow them \$100,000 for gasoline and operation?

Mr. TABER. Because it is necessary.

Mr. BLANTON. Yes; and I can take the gentleman down here right now to the department stores during the next four hours and I can show the gentleman Navy automobiles stand-

ing in front of them and I can show you Navy automobiles coming up in front of the theaters here and discharging passengers, and that ought to stop. Oh, I know that they are our friends. These officers and these bureau chiefs are close personal friends. We sit at the festive banquet table with them. We rub elbows with them. When we have state banquets we join them in marching up the palatial stairs and along the receiving line.

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. FRENCH. Mr. Chairman, before attempting to reply to the argument touching the motion, let me suggest in the matter of the last statement made by my colleague that I would be glad to have him bring to the attention of our subcommittee any instances where automobiles are used for purposes other than official. The members of the committee would like to know about them.

Mr. BLANTON. Will the gentleman yield?

Mr. FRENCH. Let me finish this statement first. There are strict orders against it. We try to observe the conditions that exist along that line. I think some years ago there were very serious abuses, and it resulted in strict orders on this subject; and if any abuses exist now, I would like to have the matter brought to the attention of our subcommittee.

Mr. BLANTON. Will the gentleman yield?

Mr. FRENCH. Briefly.

Mr. BLANTON. I might expect a statement like that from our blind colleague, who is soon to go to the Senate, deservedly, but from the alert gentleman from Idaho I would not expect it. The gentleman surely has not kept his eyes closed here in Washington. If these admirals and these bureau chiefs would drive their own wives to these theaters and department stores I would not care so much, but when they detail fine, splendid young men from the gentleman's district in Idaho and from mine in Texas, who are serving in the Navy, to drive their cars for them as ordinary, menial chauffeurs, I must protest. I do not like it. There is lots of it going on, if the gentleman would investigate.

Mr. FRENCH. If the gentleman will bring to the attention of the committee any cases of the kind to which he refers, the members of the committee will be under obligation to the gentleman. As I said, I personally—

Mr. HUDDLESTON. Will the gentleman yield?

Mr. FRENCH. Let me finish this statement first. I do not believe any such condition as that exists, and I take a great deal of my exercise by walking the streets of Washington to and from my work.

Mr. HUDDLESTON. I would like to ask the gentleman for some information.

Mr. FRENCH. I wish first to answer the gentleman from Texas and then I shall be glad to yield.

The Naval Establishment is a great institution. Our Bureau of Yards and Docks alone has to do with valuations that aggregate approximately \$300,000,000. Other activities on the shore aggregate in value another \$300,000,000 in plants. You can not run an institution of that kind, whether it is Government business or business of a private character, unless you have certain tools with which to do the work. One of the tools of an efficient business establishment is the automobile. In a great building plant where you are fabricating ships, materials, and ordnance, where you are going from one part of a station to another, you must have conveyances of this kind if you are going to have anything like efficient work.

What did we find? When we went into the hearings we found the department asking for 10 passenger-carrying, motor-propelled vehicles to cost \$1,500 each and 20 to cost not to exceed \$500 each and 2 to cost not to exceed \$2,500. We raised two of the figures, and why did we raise them? We provide for 15 automobiles instead of 10, to cost not more than \$1,500 each, and 30 instead of 20, to cost not more than \$500 each. Why? We did so because of the expensive way in which the matter is being cared for by the Navy to-day.

We have at this time approximately 160 automobiles of different types in use. A large number of these machines we have inherited from war times. We have, for instance, something like 44 Cadillacs. We have 25 Packards. They were not purchased during recent years. For the most part they were not purchased by the Navy Department at all. Practically all of them were purchased by the War Department during the war and at the end of the war they were transferred to the Navy. They have been in use in the Navy for all these years. It has gotten to a point now where the upkeep on them is enormous. It has gotten to a point now where the upkeep on some of them exceeds \$1,000 a year, and that is not good business. What we have provided in this

bill is in line with the argument of the gentleman touching economy, but we have come to an opposite conclusion from that which he himself has attained. I know the gentleman could not approve of his own conclusion if he had had the opportunity of going into the subject as the members of the committee had in reaching the conclusion that they were compelled to reach from the standpoint of efficiency and economy in the Naval Establishment.

I yield now to my friend from Alabama.

Mr. HUDDLESTON. Is there any statute which forbids the use of public vehicles for private purposes?

Mr. BUTLER. There is a law that requires them to be branded.

Mr. HUDDLESTON. That is not the point.

Mr. FRENCH. The law requires that the vehicles shall be labeled with letters plainly identifying them as Government owned. The orders are strict touching the use of public vehicles for private purposes. It is easy to make a general statement that they are used by the hundreds unofficially, when as a matter of fact, maybe, not one is so used. Any information would be welcomed by the committee indicating that there are violations of the rule.

Mr. HUDDLESTON. I will say to the gentleman that I have seen public vehicles frequently used for private purposes. I was wondering whether there was or ought not to be some criminal statute punishing such misuse. The gentleman says that the orders are strict. Who is to give orders to the head of a department or the head of a bureau, and who is going to enforce them? Such orders are a waste of time unless there is some law back of them. Despite the gentleman's obliviousness to the fact, it is quite certain that these public vehicles are frequently used for private purposes.

Mr. FRENCH. That is a general statement without any regard to particular instances. The gentleman seems not to care to point out specific instances.

Mr. HUDDLESTON. What does the gentleman expect?

Mr. FRENCH. The committee would welcome any instances where violation has occurred in the Naval Establishment.

Mr. HUDDLESTON. Does the gentleman expect a Member of Congress to take the numbers of these cars and then go and find some committee to report it to? If the committee had the authority to correct it, there would be some sense in such a course.

Mr. FRENCH. I should expect when a gentleman makes a statement of that kind that he would be prepared to back it up.

The CHAIRMAN. The time of the gentleman from Idaho has expired.

Mr. HUDDLESTON. I ask unanimous consent that the gentleman from Idaho have one minute more.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. HUDDLESTON. If I should bring the gentleman a list of half a dozen public automobiles that I have seen in private use, what would he do about it?

Mr. FRENCH. What would I do about it?

Mr. HUDDLESTON. Yes.

Mr. FRENCH. I think the members of the committee would take such action as would be reflected in the appropriations brought before this Congress.

Mr. HUDDLESTON. You would merely reduce the appropriation?

Mr. FRENCH. We would discipline the department, if we had any influence with the Congress.

Mr. HUDDLESTON. How would you do it? The gentleman asks me for specific information, and I ask him what would you do about it if you had the information?

Mr. FRENCH. There are a good many ways to do it. One would be to withhold appropriations for automobiles.

Mr. HUDDLESTON. The gentleman knows he would not do that.

The CHAIRMAN. The time of the gentleman from Idaho has again expired.

Mr. BLANTON. Mr. Chairman, I ask unanimous consent that the gentleman from Idaho have two minutes more.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. FRENCH. Does that mean for me to proceed or for the gentleman from Texas to proceed for his courtesy?

Mr. BLANTON. I should be glad to have the gentleman yield.

Mr. FRENCH. I yield.

Mr. BLANTON. Has the gentleman any more authority to discipline the department than the gentleman from Alabama?

Mr. FRENCH. I did not say "the gentleman from Idaho" would undertake it, if the gentleman will recall my words; I said if this committee had any influence with Congress it would endeavor to do so.

Mr. BLANTON. Has the gentleman's committee of five any more authority to discipline a department than has the gentleman from Alabama or his great Interstate and Foreign Commerce Committee, which stands on an equality with almost any committee of the House?

Mr. FRENCH. Again the gentleman backs a little away from his position, but not all the way. I did not say the committee would do it; I said we would discipline the department if we had any influence with the Congress.

Mr. BLANTON. Here is the place to do it—in the forum of this House, where the Members are assembled. This is the duty of the membership, not for the gentleman from Idaho, nor the gentleman from Alabama or the gentleman from Texas, but the Congress ought to administer a rebuke and stop it if it is necessary.

Mr. FRENCH. If the gentleman will cite any cases of that kind the committee and Congress would welcome it. Now, Mr. Chairman, I should be glad to have my colleague, the gentleman from New York [Mr. TABER], make a statement to the House. He has made a special study of this matter.

Mr. TABER. Mr. Chairman, I ask unanimous consent to proceed for five minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. TABER. Mr. Chairman, this provision for maintenance and operation of automobiles has been carried at \$175,000 for a great many years last past, with certain limits and restrictions, as it came to our committee. When we came to the hearings we found that a sum was being asked for upkeep and maintenance of cars altogether out of proportion to the mileage covered and the services they performed. I went over the different cars that were there and those that have served so long and run so far that they were unserviceable, and the only way we could find to cut the item down where it ought to be was to require the Navy to get rid of this old junk in the line of automobiles and get new, serviceable machinery.

In order to do that we laid out a program for an increase over what the Budget allowed of 5 cars of the \$1,500 class, 10 at \$500, and to do this we provided for an additional expenditure of \$12,500. As the result of that we are going to be able to reduce the maintenance and operating charges \$75,000.

I believe that this Congress wants to do things right, and wants to put the tools of the Navy Department in condition to use, so that they can use them efficiently and get results and save money for the Government. That is what we have been trying to do. That is what we ask the Congress to help us do.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Texas.

The amendment was rejected.

The Clerk read as follows:

Submarine base, Coco Solo, Canal Zone: For improvements to refrigeration plant, \$36,000; dredging, to continue, \$90,000; in all, \$126,000.

Mr. SEARS of Florida. Mr. Chairman, I offer the following amendment, which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. SEARS of Florida: Page 39, line 5, insert: "Submarine base extension, \$100,000."

Mr. BLANTON. Mr. Chairman, I reserve the point of order on the amendment.

Mr. SEARS of Florida. Mr. Chairman, if the gentleman is going to make the point of order, I wish he would do it. I do not think it is subject to the point of order. I hardly think it is necessary for me to speak upon this question after listening to the able argument of the chairman of the subcommittee in which he just stated we had \$600,000 invested in our Navy stations and submarine bases, and unless we had the tools to work with these were useless. The tools in that case were automobiles. The tools in the amendment which I have just offered is the approach to the submarine base at Key West, Fla. Therefore I believe and I sincerely trust the distinguished gentleman from Idaho [Mr. FRENCH] will not, as able lawyers do, reverse his argument—not reflecting upon him, but hoping that he would still argue for the amendment which I have introduced.

I notice in the report of the committee, Mr. Chairman, that many times appropriations have been placed in the bill by the

committee which have not been estimated for by the Director of the Budget. For instance, there is the naval training station at Hampton Roads, \$260,000. There was no estimate for that made by Director General Lord. I am not complaining because they included the Hampton Roads station in this bill. I have supported every bill I thought was meritorious. The other day I listened to the distinguished gentleman from Oregon [Mr. SINNOTT], and he convinced me public land offices in certain States should be retained, regardless of the failure of the Bureau of the Budget to estimate for those land offices, and while none in my State was at stake, I voted with those gentlemen, they having convinced me that these land offices should be retained.

The fact of the business is we have spent hundreds of thousands of dollars on the submarine base at Key West, Fla., but it is practically useless unless this \$100,000 is appropriated. There is no way to get out to the submarine station. There is no approach to it. I have before me a letter from the Secretary of the Navy, Mr. Wilbur, dated May 22, 1924, in which he says in the last paragraph:

The department desires very much to have this facility provided at Key West, and it will be submitted to the Bureau of the Budget for the consideration of the Congress in the next Budget.

I have before me a letter from General Lord dated May 27, 1924, in which he says:

MY DEAR MR. SEARS: It gives me pleasure to acknowledge the receipt of your letter of the 24th instant concerning the item of \$100,000 for submarine base extension at the naval station, Key West, Fla., which was included in the Budget for the fiscal year 1925. It is my understanding that the Navy Department contemplates again recommending this item in its estimates for the fiscal year 1926 if it fails of favorable consideration in the appropriation act for the fiscal year 1925, and if this be done I can assure you that I will be very glad, indeed, to give it my consideration at that time.

Mr. BLANTON. I withdraw the reservation of the point of order.

The CHAIRMAN. The Chair will state—

Mr. SEARS of Florida. Then I shall get recognition in my own right.

The CHAIRMAN. The gentleman has that; but an attempt was made to withdraw the reservation of the point of order without obtaining recognition.

Mr. BLANTON. It was openly done from the floor.

The CHAIRMAN. The gentleman will have to secure recognition to do that from the Chair.

Mr. BLANTON. Mr. Chairman, I withdraw the reservation of the point of order.

The CHAIRMAN. The Chair does this so that if any other member of the committee should desire to renew the reservation of the point of order the opportunity is afforded. It could not be done in the way the dialogue occurred.

Mr. BLANTON. It has been done now, has it?

The CHAIRMAN. The gentleman from Texas withdraws the reservation of the point of order. The gentleman from Florida will proceed.

Mr. SEARS of Florida. Mr. Chairman, I thank the gentleman for withdrawing the reservation, although, as I stated, I think it is not subject to the point of order. In the hearings, on page 756, for the extension of storage facilities at San Diego, Calif., \$70,000, there was only about one-fourth of page relative to this item, and yet the committee allowed same. I had a talk the other day with General Lord, and I want to be fair with my colleagues, as I have always attempted to be. General Lord this year has not recommended the item for Key West. During the conversation with him he stated he did not recommend it this year because the department failed to convince him that it was meritorious.

I asked General Lord why he recommended it in 1925, when the Secretary of the Navy indorsed it, as did also those who appeared before him, that it was important, and then he did not include it this year. He said it was simply because in 30 or 60 or 90 days the proposition could be completed, and therefore he would put it off to some future date. So it seems that when we get a recommendation from the Bureau of the Budget, as we did in 1925, the Committee on Appropriations leaves it out, and I fear to-day, not having a recommendation from the Bureau of the Budget, that the subcommittee will oppose it.

The CHAIRMAN. The time of the gentleman from Florida has expired.

Mr. SEARS of Florida. Mr. Chairman, I ask unanimous consent to proceed for five minutes more.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. SEARS of Florida. My colleagues will recall that in the Sixty-fourth Congress I explained the importance of Key West, Fla., from a strategic standpoint. On page 2720, Sixty-fourth Congress, second session, you will find these remarks, and in these remarks you will find I stated that Admiral Benson, who is now retired, said that Key West from a strategic standpoint was the most vital and important point in the whole country. Admiral Benson has indorsed it, and my recollection is former Assistant Secretary of the Navy Roosevelt also indorsed Key West as a submarine base.

I also called attention to the importance of Key West as a submarine base on June 25, 1917, pages 4223, 4229, 4230, and 4231, CONGRESSIONAL RECORD, Sixty-fifth Congress, first session; and again on April 10, 1918, pages 4933, 4934, and 4935, CONGRESSIONAL RECORD, Sixty-fifth Congress, second session; and on April 16, 1918, page 5180, CONGRESSIONAL RECORD, Sixty-fifth Congress, second session. In the limited time I have to-day I can not read these remarks in full, but I sincerely trust and ask that each and every one of my colleagues read my remarks in order that they may be fully acquainted with the facts and conditions at Key West and the importance of making this appropriation.

We find ourselves in this position: With a base at Key West completed, or practically completed, but, as stated to me the other day over the phone by one of the leading admirals of the Navy Department, almost useless and practically non-accessible because Congress would not appropriate this \$100,000. So I say it is false economy. Let me call your attention in the few minutes remaining to just the exact conditions, especially those Members who have not heard me discuss this before. Here is Key West, Fla. [demonstrating on map], a submarine base protecting Florida Strait, Yucatan Channel, from which airplanes can be sent up, and if an enemy fleet should be discovered submarines can be sent down to Panama. From Key West, Fla., to Charleston, S. C., a distance of nearly 1,500 miles, is the nearest naval station of all this Atlantic Ocean coast and this part of the Gulf, and in talking with this admiral he told me, as a matter of fact, only minor repairs to submarines could be completed at the naval station at Charleston and that real and complete repairs would have to be made at Hampton Roads, nearly 2,000 miles from Key West, Fla., an exceedingly long distance.

In the Sixty-fifth Congress those of you who served with me will recall I cited an instance in regard to the destruction of a submarine that would have more than paid for this \$100,000. Now, my colleagues, let me say again I want you to read the remarks referred to, because I may make a motion to recommit if the committee should not sustain my motion.

I have told you what admirals thought of it. I told you that Secretary Wilbur indorsed and approved it. I told you that Assistant Secretary of the Navy Roosevelt indorsed it. And another distinguished admiral, whose name I do not desire to give publicly, but I will give it to anyone who asks me, said the other day that the Navy Department must have this \$100,000. Last year, as I stated, General Lord estimated that Congress would not give the appropriation. I have a letter from Senator FLETCHER in which he says, writing to a constituent at Key West, that the Senate committee would not put it in. And so it looks like when we do get the indorsement we lose, and, gentlemen, I am simply appealing to my fair-minded friends on both sides of the House that they vote for this proposition and not defeat it on the grounds of economy.

Mr. BLANTON. Will the gentleman yield?

Mr. SEARS of Florida. I will.

Mr. BLANTON. During most of the year is it not a fact there are more prominent sojourners from all over the United States, the East especially, in the gentleman's district than he has constituents? The gentleman represents the silk-stocking district of Florida.

Mr. SEARS of Florida. I represent the best people in the world. I represent former constituents of yours from practically every district in the United States. I represent people from 16 foreign countries who have come here and become American citizens, but that should not enter into the consideration of this amendment.

The CHAIRMAN. The time of the gentleman has expired.

Mr. SEARS of Florida. I ask for two minutes additional.

The CHAIRMAN. The gentleman from Florida asks unanimous consent to proceed for two minutes. Is there objection? [After a pause.] The Chair hears none.

Mr. SEARS of Florida. I regret to ask for this extra extension, but I have not taken up much of your time. I have voted for every proposition since I have been in Congress whether it affected my district or not, which I believed was meritorious, and my colleagues will bear out that assertion. It did not mat-

ter to me whether it was in New York or California. Therefore, even if you do not adopt the Key West, Fla., amendment, I will still defend San Diego, Calif. I have no complaint because it is meritorious. So I ask you, my good friends, those of you who know the situation, to take into consideration the distances I have shown you from Key West, Fla., to Charleston, and from Charleston to Hampton Roads, really from Key West to Hampton Roads, where all repairs to a submarine can be made.

Let me say to you with all sincerity that while this submarine base means much to Florida, it means much more to the entire country, for if another war should come, which I trust will never be the case, this base will not only prevent the landing of an enemy army on the shores of Florida but also is of vital importance in protecting Texas, Louisiana, Mississippi, and Alabama; therefore, indirectly every State in the Union, as it controls the key to the Gulf of Mexico and would prevent the enemy from landing his forces on our southern shores and marching into the interior of our country.

In view of the above, I shall conclude my remarks by stating with a submarine base almost completed at Key West, Fla., lacking only about \$100,000, I sincerely trust the amendment will be adopted, and with that I am willing to leave the proposition with you and let you vote on it.

I regret that the chairman of this committee feels that it is his duty to oppose this proposition, notwithstanding all the recommendations I have called to his attention, and I hope he will not any too vigorously do so, because the support of a submarine base is just as much a tool to protect these wonderful properties of ours as are automobiles. [Applause.]

Mr. FRENCH. Mr. Chairman, the gentleman's hopes that I will not oppose the amendment are as illy founded as any hope that I might entertain that after my statement the gentleman would vote against his own amendment. I did not make the point of order. I reserved it, because I recognize that the amendment is not subject to a point of order.

A year ago the Budget Bureau recommended the continuation of the work at Key West, and it is a work that at some time in the future ought to be cared for. The one thing that appealed to the committee a year ago was that it is a work of a kind that may be cared for in a comparatively short period of time. The work proposed connects the piers in a better way with the shores so as to make the piers more useful.

Now, when it comes to different establishments of this kind it goes without saying that the people of the different communities wish to see them kept in the best possible condition. The commandants of stations are very partial toward the establishments of which they have charge. I remember a year ago when the Navy Department sent out its requests to the different commandants for estimates of the necessary improvements touching the different naval bases and establishments throughout the United States the estimates came back totaling \$63,000,000. These were fairly necessary improvements in the minds of the commandants. The department reduced the estimate to \$4,000,000, thus lopping off \$59,000,000. The Budget reduced the amount to between three and four million dollars.

Now, here is a proposition that came to the committee a year ago. We considered it and concluded that, under the circumstances, we were not justified in carrying out the recommendations that came to us. The Senate committee considered it and refused, as the gentleman says, to act favorably upon the item.

Again the matter comes before Congress, not upon the recommendation of the Budget but upon the motion of the gentleman from Florida [Mr. SEARS]. The members of the committee and the Bureau of the Budget have considered this question, as they have the question of further funds for other establishments, and it is our judgment that it is not an improvement of such character that it ought to receive appropriations for continuation now. I hope the amendment offered may be defeated.

Mr. SEARS of Florida. Mr. Chairman, will the gentleman yield?

Mr. FRENCH. I shall be glad to yield.

Mr. SEARS of Florida. The gentleman said that Members of Congress were anxious to get these appropriations, and therefore to appeal for them. Does the gentleman believe that Secretary Wilbur and Admiral Benson and the former Assistant Secretary of the Navy, Mr. Roosevelt, and the former Secretary of the Navy, Mr. Daniels, and other officials of the Navy Department, and General Lord last year recommended it because they were urged by my constituents?

Mr. FRENCH. They realize doubtless that the project has merit. I say it has merit, but I say it does not have such merit as to justify the Congress in making the appropriation at this time.

The CHAIRMAN. The Chair desires to call the attention of the gentleman from Florida to the fact that the item to which the amendment is offered relates to the submarine base, Coco Solo, Canal Zone. Is that the intention of the amendment?

Mr. SEARS of Florida. The amendment should say, "After line 5, insert a new paragraph."

The CHAIRMAN. The Chair will say that the amendment offered by the gentleman from Florida gives no location whatever. Therefore it would relate to the paragraph beginning with line 3.

Mr. SEARS of Florida. I ask that the words "Key West, Fla." be placed in there.

The CHAIRMAN. The gentleman from Florida asks unanimous consent to modify his amendment as indicated. Is there objection?

There was no objection.

The CHAIRMAN. The Clerk will report the amendment as modified.

The Clerk read as follows:

Amendment offered by Mr. SEARS of Florida: Page 39, insert after line 5 the following new paragraph:

"Submarine base extension, Key West, Fla., \$100,000."

The CHAIRMAN. The question is on agreeing to the amendment offered by the gentleman from Florida.

The question was taken, and the Chairman announced that the ayes appeared to have it.

Mr. FRENCH. Mr. Chairman, I ask for a division.

The CHAIRMAN. A division is asked for. As many as favor the amendment will rise and stand until they are counted.

The committee divided; and there were—ayes 37, noes 45.

Mr. SEARS of Florida. Mr. Chairman, I ask for tellers.

The CHAIRMAN. The gentleman from Florida asks for tellers.

Tellers were ordered, and the Chairman appointed Mr. FRENCH and Mr. SEARS of Florida to act as tellers.

The committee again divided; and the tellers reported—ayes 62, noes 51.

So the amendment was agreed to.

Mr. HUDDLESTON. Mr. Chairman, I move to strike out the last word.

The CHAIRMAN. The gentleman from Alabama moves to strike out the last word.

Mr. HUDDLESTON. Mr. Chairman, I think it must be clear to students of international relations that our present relations with Japan are not fully satisfactory. Great feeling was excited in Japan by the adoption of our immigration law. That feeling has been played upon and fomented by certain Japanese politicians for partisan purposes until public opinion in Japan has been inflamed to a very considerable extent. Japanese public opinion as a whole is highly irritated, and in a time like this it is of the greatest importance that those who assume to speak for America and who desire that our country's peace should be preserved should be circumspect in their actions and in their words. [Applause.] Thoughtful citizens must deplore any attempt upon the part of American public men to play the part in this country which has been played by the Japanese politicians in seeking to obtain political advantage by fomenting this agitated state of Japanese opinion.

In such a situation as the present the decision to hold our naval maneuvers off Hawaii is characterized by the strangest ineptitude and tactlessness. It seems strange indeed that anyone of influence enough to have brought about a decision to hold maneuvers there did not know enough of international affairs to recognize the impropriety of it.

Our purposes toward Japan are friendly and pacific. Nobody in the United States wants war with Japan. All are anxious to remain on the terms of friendliness, confidence, and good will which have characterized our relations with Japan from the very beginning of modern Japanese development. We ought not to be guilty of anything which would give the Japanese just ground to suspect our pacific purposes. Yet in face of that situation we have transferred the major part of our fleet to the Pacific. It has as its base such points as would have been chosen had it been felt that a war with Japan was possible.

The Japanese know what we have done. They are an intelligent people. It is their duty to their own country to know that we have transferred a good part of our fleet to the Pacific side. They are fully advised of the situation. They also know we have no possible antagonist on the Pacific unless it should be themselves—that there is no Pacific power, outside of themselves, that America would give a snap of her finger for. They naturally consider why we have transferred our fleet to the Pacific, and naturally draw the deduction that

we suspect them and their intentions and are preparing against them.

Now, with that situation already in unsatisfactory shape, comes our naval maneuvers to be held off of Hawaii. A play warfare is to be conducted to improve the efficiency of our fleet, a play warfare which will have for its scheme the arrangement of our fleet to defend Hawaii against an imaginary attack.

The CHAIRMAN. The time of the gentleman from Alabama has expired.

Mr. HUDDLESTON. Mr. Chairman, I ask for five minutes more time.

The CHAIRMAN. The gentleman from Alabama asks unanimous consent to proceed for five additional minutes. Is there objection?

There was no objection.

Mr. HUDDLESTON. The Japanese know that these maneuvers are planned and what they will consist of. It is always safe to assume that others have as much sense as we have and that other peoples have as much acumen as our people and as much love for their own institutions as we and as much jealousy of their national rights and as much of a desire to protect them as our Nation has. And the Japanese know that the only imaginary enemy we could possibly have is the Japanese Fleet and that Japan is the imaginary adversary against whom we are defending Hawaii.

Taking into account the agitated condition of public opinion in Japan and the fact that the Japanese Government, no matter how moderate, thoughtful, and pacific its purposes may be, must have a due regard for Japanese public opinion—given that situation, which undoubtedly exists, then we have this Nation, against whom the feelings of Japan have been excited and whom she is being taught to suspect, arranging a mimic warfare with Japan as the imaginary enemy. I ask any man who understands anything whatever of international affairs if that does not consist in itself of an exceedingly tactless maneuver? [Applause.]

Mr. RATHBONE. Will the gentleman yield?

Mr. HUDDLESTON. Not at this time.

Why should we further excite Japanese suspicion and hostility? What is there to be gained by it? There is no good reason. You would think that no sensible man who has at heart the best interests of our country would do such a thing. Yet the Navy Department convicts itself of the stupidity of doing the very thing most calculated to excite suspicion and hostility. I ask gentlemen who are students of history to point to a similar incident in international relations within the last 100 years which is so provocative.

Mr. RATHBONE. Will the gentleman yield now?

Mr. HUDDLESTON. I will yield to the gentleman before I get through.

A Member of Congress said here on yesterday that the United States will not recognize the right of any nation to say where we shall hold our naval maneuvers. It is just exactly that jingoistic and bombastic spirit that brings war. [Applause.] It is just that kind of arrogance which causes men to meet upon the battle field in the shedding of men's blood.

Why should we have war with Japan? There is no reason whatever. There is no conflict of interest—neither has anything to gain—both have everything to lose. Are we so stupid that we will go on and on with tactless blundering and further aggravate Japanese opinion until a mine is laid and all it will take is merely a spark thrown by accident into the powder to cause an explosion?

Suppose we sent one of our vessels into Japanese waters, as we did the Maine into Habana Harbor, and it should be blown up. Suppose a tragedy should be caused by mob action or by some fanatic crazed by chauvinism. What would be the result? What would be the result on Japanese public opinion already highly inflamed? I would not like to prophesy.

I realize that our purposes are pacific, as well becomes the dignity and majesty of our country. Our country is too great to be afraid.

Mr. McKEOWN. Will the gentleman yield?

Mr. HUDDLESTON. Not now.

Our country is too great to fear that it will compromise its dignity by withdrawing from provocative steps which might inflame public opinion in another country. If we were a weak, contemptible nation it might be required that we should take every measure to save our face, but all the nations and peoples of the world know that we are able to take care of ourselves. I say that the proposed Hawaiian maneuvers ought to be called off. If I could control the matter I would call them off.

Mr. WAINWRIGHT. Will the gentleman yield?

Mr. HUDDLESTON. Excuse me one moment.

The Pacific is wide and there are many places where these maneuvers might be held. There are seven seas to which we can send our Navy for maneuvers, and we can send it wherever we will. That being so, why shall we exhibit the stupidity of sending it to the one particular place that is most dangerous to peace and most tactless just at the present time?

The CHAIRMAN. The time of the gentleman from Alabama has again expired.

Mr. HUDDLESTON. Mr. Chairman, I ask for two minutes more in order that I may yield to these gentlemen who are so anxious to interrupt me.

The CHAIRMAN. The gentleman from Alabama asks unanimous consent to proceed for two additional minutes. Is there objection?

There was no objection.

Mr. HUDDLESTON. I will take the gentlemen in their turns. First, the gentleman from Illinois [Mr. RATHBONE].

Mr. RATHBONE. I will ask the gentleman, first of all, if Japan has not recently held naval maneuvers at outposts of their country and if that has been interpreted in this country as any sign of war or a desire for war?

Mr. HUDDLESTON. I am not advised that the Japanese fleet has held maneuvers which were in any way objectionable to us.

Mr. RATHBONE. I understand that is the fact.

Mr. HUDDLESTON. But if the Japanese have been guilty of tactlessness that does not warrant us in matching folly with folly. [Applause.] If they have done a wrong thing I would imagine something would have been said about it in this country, but nothing has been said that has come to my knowledge. If they have been guilty of provocation, will we go on and draw a mark and say "Cross that line if you dare." Are we so stupid as that? Surely not. And now I yield to the gentleman from New York [Mr. WAINWRIGHT].

Mr. RATHBONE. Will the gentleman yield to me for just one more question in order that my attitude may be understood?

Mr. HUDDLESTON. I ask, Mr. Chairman, unanimous consent that I may proceed for two additional minutes.

The CHAIRMAN. The gentleman from Alabama asks unanimous consent to proceed for two additional minutes. Is there objection? [After a pause.] The Chair hears none.

Mr. RATHBONE. If the gentleman will yield, I will state that my attitude is not one of criticism of the Japanese, but merely that we have the right to do the same thing, and I will ask the gentleman one more question.

Mr. HUDDLESTON. Just a moment. In reply to that I say that we have the legal, technical right to go just outside of Japanese waters, 3 miles from the shore, and carry on a mimic warfare by which we pretend to bombard Yokohama, but I hope we will not be fools enough to assert all of our legal rights. Now for your other question.

Mr. RATHBONE. Hawaii is the outpost of America, and I will ask the gentleman if it is not a fact that when under Theodore Roosevelt the American fleet was sent to Pacific waters and the battleships made their tour and visited Japan, instead of stirring up international hostility did it not have an excellent effect, and was not their reception of the finest character everywhere, and were not the relations between the two peoples better afterwards than ever before?

Mr. HUDDLESTON. The gentleman is a well-informed man, and he knows perfectly well that the situation at present is wholly unlike what it was at the Roosevelt time.

I now yield to the gentleman from New York [Mr. WAINWRIGHT].

Mr. WAINWRIGHT. I would like to ask the gentleman if it is not possible that some of the legislation which Congress has recently adopted under the inspiration of some of our friends from the Pacific coast has constituted possibly a greater incitement of Japanese resentment against the United States than the holding of any maneuvers on the Pacific coast?

Mr. HUDDLESTON. Early in my remarks I explained to the House that the inflamed state of Japanese opinion originated in the passage of our immigration law. I think it was an exceedingly foolish thing, if you will pardon me, gentlemen, for Congress not to have acted on the President's advice. [Applause.] But that is passed.

I now yield to the gentleman from Oklahoma.

Mr. WAINWRIGHT. I will say to the gentleman that that is exactly what I wished to bring out.

The CHAIRMAN. The time of the gentleman from Alabama has again expired.

Mr. HUDDLESTON. I will ask unanimous consent to proceed for one minute more, Mr. Chairman.

Mr. BANKHEAD. Mr. Chairman, out of an abundance of caution I ask that the gentleman may have two minutes, because it may be a long question.

The CHAIRMAN. The gentleman from Alabama asks unanimous consent to proceed for one additional minute. Is there objection? [After a pause.] The Chair hears none.

Mr. McKEOWN. I want to ask the gentleman if he has any information as to whether the State Department was consulted by the Navy Department as to the feasibility of holding these maneuvers and sending the fleet to Australia.

Mr. HUDDLESTON. Of course, I could have no information on that subject. Respecting Mr. Hughes as I do, I must assume, however, that had he been called upon he certainly would have given better advice than that which was followed in deciding to hold the maneuvers.

The CHAIRMAN. The time of the gentleman from Alabama has again expired.

Mr. ROMJUE. I ask that the gentleman be granted one minute. I would like to ask the gentleman a question.

The CHAIRMAN. The gentleman from Missouri asks unanimous consent that the gentleman from Alabama may proceed for one more minute. Is there objection? [After a pause.] The Chair hears none.

Mr. ROMJUE. Did I understand the gentleman to say or did the gentleman intend to create the impression that the mere fact that the American Navy may maneuver on the Pacific coast justifies Japan in being suspicious that we might want to go into war with Japan?

Mr. HUDDLESTON. It depends entirely on the circumstances and the situation. If, for illustration, in the strained condition which existed between Germany and France immediately before the breaking out of the World War the Germans had mobilized their forces, as they had a perfect right to do, and deployed them on the French frontier, I take it that the gentleman would at once have recognized the impropriety of such action; yet if there had been a state of profound peace and friendship and mutual confidence and good will nothing that either of those nations might have done would have affected international relations. [Applause.]

Mr. WINGO. Mr. Chairman, I rise in opposition to the pro forma amendment.

Mr. Chairman, I do not wholly agree either with the gentleman from Illinois [Mr. BRITEN] or the gentleman from Alabama [Mr. HUDDLESTON]; but the gentleman from Alabama is right in his discussion of the psychology of peoples and how jingoes can irritate and precipitate a condition that leads to war.

We may not agree with the man in the White House or with the Secretary of State, but I think every man who has a boy and does not want to see him used as cannon fodder, and every man who has due regard for the dignity of nations and the necessity to act with a proper appreciation of the sensibilities of people hopes that all of these gentlemen and all of these newspapers will keep their mouths shut about the Japanese question. [Applause.]

You may not, I say, agree with the man in the White House upon his political theories or with the Secretary of State, but, gentlemen, they are responsible for our foreign affairs. They are men of caution. There is no jingoism about them, and I believe that there is a sincere recognition by the Government of Japan and by the thoughtful people of Japan, just as there is sincere recognition by all thoughtful people in America, that President Coolidge and Secretary Hughes are genuinely friendly to Japan, respect its rights and its sensibilities, and that our foreign affairs can be conducted and will be conducted by them with due regard for all of these psychological factors, and the best thing we Members of Congress can do is to keep our mouths shut about this thing and leave it to the President, who is Commander in Chief of the Navy, and to the Secretary of State, who is the head of our foreign affairs and who has demonstrated his wisdom on this question.

I have always insisted that politics ought to cease at the water's edge. I am with Calvin Coolidge and with Charles E. Hughes in the handling of our foreign affairs, and I have confidence they will uphold not only the rights and the dignity of the people of the United States and of this powerful Nation but they will show the greatest statesmanship of all by recognizing the other man's viewpoint and having due regard for the sensibilities of people and not permit the jingoes of this Nation to drag us into an intolerable position. [Applause.]

There is room on this earth for the development of our great people as there is room on this earth for the development of the Japanese nation. The rights of each can be respected. We can assert our rights as we have done; they can assert theirs. But for God's sake let us leave the handling of our foreign

affairs to men who under the Constitution are charged with that duty until they have shown some disposition to either handle them inefficiently or unwisely. At the present time I think they are handling a delicate situation very diplomatically, and as a Democrat I am proud of the caution and the courtesy, yet firm dignity, and distinctive ability of our great Secretary of State. [Applause.]

Mr. WATKINS. Mr. Chairman, I offer the following amendment.

The Clerk read as follows:

Page 39, line 5, after the figures \$126,000, insert a new paragraph, as follows:

"For continuance of the development of a submarine and destroyer base, Columbia River, Oreg., \$350,000."

Mr. FRENCH. Mr. Chairman, I make a point of order against the amendment. If the gentleman desires, I will reserve it.

Mr. WATKINS. I wish the gentleman would make it.

Mr. FRENCH. I make the point of order, Mr. Chairman.

Mr. WATKINS. Is the gentleman making the point of order because of the adoption of the Sears amendment?

Mr. FRENCH. No.

Mr. WATKINS. Mr. Chairman, I want it to follow the Sears amendment.

The CHAIRMAN. Without objection, the amendment will be so modified. The Clerk will report the modified amendment.

The Clerk read as follows:

Page 39, line 5, following the amendment offered by Mr. SEARS of Florida, insert a new paragraph, as follows:

"For continuance of the development of a submarine and destroyer base, Columbia River, Oreg., \$350,000."

Mr. FRENCH. Mr. Chairman, I think that is not subject to a point of order, and I withdraw it.

Mr. WATKINS. Mr. Chairman, the Congress, on June 4, 1920, appropriated \$250,000 toward the development of a submarine and destroyer base at Astoria, Oreg., near the mouth of the Columbia River. The Columbia River, you will remember, is the second largest river in the United States. It penetrates the great Northwest, and on its banks one-third of the standing timber of this Government grows. That initial appropriation was authorized probably because of several reports by several experts on the matter. I want to read them for the benefit of the House. Admiral Coontz, in his report, No. 1946, part 4, Navy Yards and Naval Stations Commission, fourth report, page 76, Appendix E, Sixty-fourth Congress, has the following to say on this matter:

At Astoria should be placed the best temporary base on the Washington and Oregon coasts.

There was a report made by a committee headed by Rear Admiral Parks. I take the liberty of reading two paragraphs of that report, as follows:

1. The board is in full agreement with the report of the Helm Commission as to necessity for the location of a submarine, destroyer, and aviation base between Puget Sound and San Francisco, and is in further agreement with the commission in its selection of the Tongue Point site at Astoria, Oreg., and the best site both strategically and tactically. The board recommends the site in the locality chosen, but that a larger area, including all the shore front between the railroad and the pierhead line extending from the western point where Tongue Point Peninsula joins the mainland around and including Tongue Point and along the shore line to the mouth of John Day River, is essential.

Acting on that recommendation, the city of Astoria bonded itself, bought the land, and donated over 1,300 acres to the Government for this specific purpose. The board goes on to say:

4. It is recommended that an appropriation of a million and a half be obtained from the present Congress, with authorization for the completion of project not to exceed \$5,000,000, to be completed within three years.

In addition to the foregoing, let me read to you what Brig. Gen. Henry D. Todd, jr., commanding the Ninth Coast Artillery District, which comprises all coast defenses on the Pacific coast, in submitting his report of January, 1924, stated. Among other things, he said:

The coast defenses of the Northwest part of the country would be utterly unable to protect units of the American battle fleet while leaving the harbor and before they could take up battle formation.

Conditions are worse in the coast defenses of the Columbia. There the garrison is so small, 2 Coast Artillery officers and 20 enlisted men for the three forts at the mouth of the Columbia and for the bat-

teries at Grays Harbor and Willapa Bay, that all that can be done is to keep the material in good condition.

Of course, if an enemy determined to make a base near the mouth of the Columbia, he could outrange and overpower the batteries there just as he could at Puget Sound.

Mr. Chairman, for nearly 1,000 miles along the Pacific coast this Government has nothing whatever to defend this Nation from a hostile attack, and the Columbia River is the only point on the Pacific coast where an enemy could penetrate this country for 200 miles on a grade of less than 5 per cent. The enemy could station its men, move its army by water, by rail, or by automobile into the interior for over 200 miles. It could plant its army there, and with the food, such as wheat, vegetables, fruit, dairy products, stock, and everything it needed, could maintain its army with our food and move it to the south by rail or by automobile, and could likewise move it to the north in the same way.

Not only that. If ships from San Francisco or Puget Sound were to encounter an enemy on the Pacific Ocean, became crippled in any way, shape, or form, they would have no refuge of safety nearer than 150 miles one way or 700 miles the other unless we maintain and keep up this base at Astoria.

Now, this base is peculiarly fitted for this service, because it is without the range of the enemy guns. It so happens that it is placed right behind a big mountain of rock that no gun or number of guns from any enemy could ever penetrate.

The CHAIRMAN. The time of the gentleman from Oregon has expired.

Mr. WATKINS. I ask unanimous consent for two minutes additional.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. WATKINS. Think of that mountain overlooking and protecting that wonderful bay! The Navy of the United States could and would be protected while it repaired its boats and received fuel and the like. Not only that, but it would prevent the enemy from invading this country up the Columbia River for more than 200 miles. Since this Government has seen fit to accept the recommendation of every Army officer and Navy officer who examined it, and has gone so far as to take 1,300 acres of land from the city of Astoria for this purpose; since it has seen fit to appropriate \$250,000 several Congresses ago, which amount is about expended, then beyond the peradventure of a doubt this House will be justified in continuing this appropriation in the sum of \$350,000. [Applause.]

Mr. FRENCH. Mr. Chairman, this amendment proposes to add \$350,000 to the bill in providing for the continuation of work on a submarine base at Tongue Point. This item was proposed by the gentleman a year ago. As a matter of fact, a year ago the Navy Department did not recommend the item to the Bureau of the Budget, nor did the Bureau of the Budget recommend the item to the Congress. The matter was pressed upon the committee at that time, and our conclusion was in line with the thought of the Navy Department and the Bureau of the Budget. Again we find the same situation this year. Neither the Navy Department nor the Bureau of the Budget made any recommendation touching the item to which the gentleman refers. I venture to say that if the Navy Department could have \$350,000 to expend in a permanent establishment for the national defense, it would not be spent at Tongue Point. There would be a good many other places where the money would be expended before the department would undertake the expenditure of money at that place.

Mr. WATKINS. Mr. Chairman, will the gentleman yield?

Mr. FRENCH. Yes.

Mr. WATKINS. The Government has already expended \$250,000, and where else on the Pacific coast could it establish a submarine base than at the mouth of the Columbia River and let it be out of the range of the enemy's guns?

Mr. FRENCH. I venture to say that if those who have studied this question closely could allocate the money it would be expended probably in Pearl Harbor first, and probably in Puget Sound, before it would be spent at Tongue Point.

There is no urgent demand for further expansion at this time of the submarine base at Tongue Point.

I appeal to the Members of the Congress not to place an item of this magnitude on the bill without any more consideration than can be given to it when a Member offers it from the floor of the House. If that shall be the way in which we legislate, then with just as sound reason we could add millions of dollars to the bill.

The CHAIRMAN. The time of the gentleman from Idaho has expired.

Mr. WATKINS. Mr. Chairman, I ask unanimous consent to proceed for one minute.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. WATKINS. Mr. Chairman, the fact that the Budget Committee and the committee of which the gentleman is chairman and the Navy Department have not seen fit to go into and consider this item is a matter for you to take into consideration to this effect: They know nothing about it. I submitted to you the opinion of the experts of the Navy who recommended \$5,000,000. They have gone there and have seen this situation. Let me ask the gentleman this question, and I give him my time in which to reply: What is he going to do with the submarine base already there, established with the \$250,000 which will be expended this year? Is he going to allow it to go to ruin?

Mr. FRENCH. Mr. Chairman, I would say to the gentleman that that institution will be maintained just as other institutions that are not any more active or that are active are maintained at this time. We do not need to maintain all of the naval establishments as though we were in war. We must close down some of them, and that is one I hope that will be closed down this year.

Mr. WATKINS. In other words, you are going to close it down?

Mr. FRENCH. Not necessarily; there will be some money expended for maintenance there.

Mr. WATKINS. Where will they get the money with which to maintain it?

Mr. FRENCH. Out of maintenance funds.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Oregon.

The question was taken; and on a division (demanded by Mr. WATKINS) there were—ayes 8, noes 47.

So the amendment was rejected.

The Clerk read as follows:

Naval station, San Diego, Calif.: For extension of shop and storage facilities, \$70,000.

Mr. BUTLER. Mr. Chairman, I offer the following amendment which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. BUTLER: Page 39, after line 7, insert a new paragraph as follows:

"Naval aeronautic station, Pensacola, Fla.: For fuel oil storage, \$35,000."

Mr. FRENCH. Mr. Chairman, I reserve the point of order. Mr. BUTLER. Why, the gentleman's committee asked me to offer this. If you are going to make the point of order, do so, but I am not going to be made a dunce of.

Mr. FRENCH. Mr. Chairman, will the gentleman yield?

Mr. BUTLER. Yes.

Mr. FRENCH. I reserve the point of order for the purpose of asking whether or not this is an item which came to the committee with the recommendation of the Bureau of the Budget and Navy Department?

Mr. BUTLER. I do not care how the report got to the committee, but if the amendment is adopted it is going to save the Government \$32,000 a year, and when the gentleman reserved the point of order I did not know the mysterious purpose he had, and I apologize to the gentleman.

Mr. FRENCH. The gentleman need not apologize, the committee—

Mr. BUTLER. I am obliged to the gentleman for having made the explanation, and if I may be permitted to say just one word before the committee votes on it. This amendment is for the purpose of putting up an oil tank at Pensacola. Several destroyers are stationed at this point, and there is no opportunity to get oil for the destroyers except from one company known as the Texas Oil Co. That company is charging \$2.10 a barrel. It can be purchased for \$1.38 to \$1.40 a barrel. The authorities say that if they bought the oil from other companies they could save \$32,000 a year, if they have the storage facilities. I do not care to trespass upon our friend in offering legislation, notwithstanding it was submitted to our committee, but in the hearings before our committee in answer to my question the answer was made plain that if we allowed them to put up this tank they can compete and can buy from other companies at \$1.38 to \$1.40 a barrel of oil, and we can save in one year \$32,000, so our committee reported this bill favorably, and I think this is a good opportunity to have it passed if the committee sees fit to pass it.

Mr. FRENCH. I withdraw the reservation of the point of order.

Mr. BLANTON. I reserve the point of order just for a moment.

The CHAIRMAN. Does the gentleman from Idaho withdraw the reservation of the point of order?

Mr. FRENCH. I withdraw the reservation of the point of order.

Mr. BLANTON. I reserve it for just a moment. If the committee had asked anybody but our friend from Pennsylvania to put this legislation on their bill, I would have made a point of order, but I do not believe in the committee using him and then trying to subject him to this kind of treatment, and therefore I will not make it. [Laughter.]

The CHAIRMAN. Does the gentleman withdraw the reservation of the point of order?

Mr. BLANTON. I withdraw it.

Mr. FRENCH. Mr. Chairman, in view of my friend from Pennsylvania misunderstanding my purpose in reserving the point of order, probably I ought to make a short statement. There were several items in the bill which the committee investigated carefully. They came to us in orderly manner from the Bureau of the Budget, but upon further inquiry we recognized we had no jurisdiction and we turned them over to the legislative committee. This was one of them, and I reserved the point of order in order to make inquiry as to whether it belonged to that group. Let me say here I quite concur in the statement of the gentleman from Pennsylvania [Mr. BUTLER]. Providing for oil storage at Pensacola will mean economy to the Government and save a considerable amount annually in the administration of the fuel situation in that part of our country.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Pennsylvania.

The question was taken, and the amendment was agreed to.

The Clerk read as follows:

The unobligated balance of the appropriation of \$500,000 contained in the naval appropriation act for the fiscal year 1925 on account of the construction of an extensible building for the supply depot, Marine Corps, San Francisco, Calif., is made available for adding two additional floors to said building, such addition to be of permanent construction and made ready for occupancy in all respects within the amount hereby made available.

Mr. HASTINGS. Mr. Chairman, I move to strike out the last word for the purpose of again inviting attention to the inadvisability of using the kind of language that is used in this paragraph. I am opposed to reappropriating the unobligated balance of the appropriation of \$500,000. I think it is much better to allow the money to be covered back into the Treasury, and I think it is much safer to have an estimate of the amount of money that is going to be required for any item than to have that amount of money itself reappropriated rather than to have the unexpended balance reappropriated. It may be explained as to this particular item that you could not say how much the unappropriated balance was as the fiscal year has not yet ended. But while I am discussing this situation generally, permit me to invite your attention to page 48, beginning with line 15, where this language is used:

The Secretary of the Navy may use the unexpended balances on the date of the approval of this act under appropriations heretofore made on account of "increase to the Navy."

Now, I have not critically examined this bill, and I do not know how many times similar language occurs, but I heard the very able and very exhaustive speech by the chairman of the subcommittee who has charge of this bill the other day, and he explained to the Members of the House that this bill carried approximately \$290,000,000. Now, if there are many large unexpended balances carried in the bill, of course, his figures would not be accurate. At the close of the session of Congress the chairman of the Committee on Appropriations, or the leader on that side, will get up and make a statement as to the appropriations which have been made. The ranking minority member of the Committee on Appropriations, or the minority leader, will make a similar statement. Their figures will disagree. The people throughout the country or the Members of Congress will be confused over those figures, and it is largely due to the fact that unexpended balances are carried in these appropriation bills. Now, I can readily see, as explained by the chairman of the subcommittee, who has this bill in charge, where material that has been purchased for one year by the Navy Department should be carried over and used for the purpose for which it was purchased, but I believe it is much safer to have all moneys appropriated and unexpended and unobligated covered into the Treasury at the end of each fiscal year and the money reappropriated outright for each item which is carried in any of these appropriation bills.

Mr. FRENCH. Mr. Chairman, broadly speaking, I concur in the observations made by the gentleman who has just taken his seat. The general law provides that building items such as this, or appropriations under building items, shall be continuing appropriations. In this case the money could be expended without further congressional action. The language put in here is for the purpose of limiting the department to that amount on a completed building rather than permitting the amount to be expended on a building which, at the end of the construction, might have but a temporary roof, and the department thus be required to come before Congress for additional money.

A year ago estimates were made for the storage building or depot for the Marine Corps at this point at a cost not to exceed \$500,000. Congress gave the amount, and bids were called for on the basis of a three-story building; the roof, however, to be of temporary construction, with the thought that another couple of stories would be added to the building at a later date. Bids were called for, and it appeared that we could erect the building for \$340,000, considerably below the amount included in the law.

We now find that if we go ahead and use the balance of the money to erect two additional stories and put a permanent roof on the building we can provide accommodations for activities of the Government that are now paying rent in San Francisco amounting nearly to \$20,000 a year. Of that amount, \$7,700 a year is being paid by the Navy, and \$12,000 a year is being paid by other bureaus or branches of the Government. These latter can be housed in the customs office building, where rooms will be vacated by the Naval Establishment if this work can be done. We thought that if with an investment, not to exceed \$160,000, we could save the Government nearly \$20,000 annually in rent, it would be a good business proposition. The proviso in the bill is to limit the department, not to increase its powers, and to prevent a situation from arising requiring more money at a later date.

Mr. BUTLER. Mr. Chairman, will the gentleman yield?

Mr. FRENCH. Yes.

Mr. BUTLER. I think that the committee I sit on authorized the appropriation of this money for one purpose only, and that was to supply a depot for the Marine Corps. Does my friend understand the game that is being played? Does the gentleman know that we always try it on the dog, and the dog is the Marine Corps? Does the gentleman understand that it is proposed to take this building away from the Marine Corps after the Marine Corps obtained this building as a place to deposit its supplies? The Navy being an organization larger than the Marine Corps, it seems the Marine Corps will lose out. Why should not this be placed directly under the Marine Corps?

Mr. FRENCH. We recognize the situation to which the gentleman refers, and we have tried to protect the Marine Corps against it in the report that we made touching the item, where we say:

It is to be understood that the accommodations proposed for the Navy shall not operate to remove the control of the building from the Marine Corps, for which the building was originally authorized and intended.

Mr. BUTLER. That is good and sounds well; but the gentleman knows as well as I know that that has not a particle of restraining influence over the Navy.

Mr. FRENCH. The statute itself provides that it shall be a supply depot of the Marine Corps.

Mr. BUTLER. I know; but I am only echoing the consternation that is in the minds of those people. We supposed it was to be a building where these people can store their supplies. If I had known that it was to be a mixed building, I would not have recommended or favored it. The Navy is asking for a storage place at Alameda for several million dollars. I do not see why we should marry in this building with the Navy.

Mr. FRENCH. The committee that shaped the bill will endeavor in every way possible to cooperate with the chairman of the Committee on Naval Affairs in protecting the Marine Corps in the management of this building.

The CHAIRMAN. The time of the gentleman from Idaho has expired. Without objection, the pro forma amendment will be withdrawn.

Mr. McCLINTIC. Mr. Chairman, I move to strike out the last word.

The CHAIRMAN. The gentleman from Oklahoma moves to strike out the last word.

Mr. McCLINTIC. I do so, Mr. Chairman, for the purpose of asking the gentleman from Idaho a question. What was

the total amount of the appropriation that was passed for the purpose of constructing this Marine Corps warehouse?

Mr. FRENCH. Five hundred thousand dollars a year ago. This provides that the balance in excess of \$340,000 already obligated may be expended in erecting two additional stories and putting a permanent roof on the building.

Mr. McCLINTIC. Was that \$500,000 expended for the construction of the building that is there now?

Mr. FRENCH. The building is in process of construction, on the basis of three stories and a temporary roof. We will save the cost of the temporary roof and make use of the walls that are being erected, and make use of the contractor's plant that he has put there for use in the construction of the building if we add the other two stories now. Generally speaking, it will be the economical thing to do to go ahead and carry the building up to five stories with a permanent roof, instead of only three stories with a temporary roof, expecting additional stories later on.

Mr. McCLINTIC. My recollection is that this was to take care of the needs of the marines.

Mr. FRENCH. That is right.

Mr. McCLINTIC. Now you ask for an additional \$500,000 to be added, making this building cost, as I understand, when erected, \$1,000,000?

Mr. FRENCH. Oh, no. The two additional stories may now be added within the total appropriation of a year ago if they are added before the temporary roof is put on.

Mr. BUTLER. Three hundred and forty thousand dollars?

Mr. FRENCH. A total of \$500,000, of which \$340,000 has been obligated, leaving a balance of \$160,000.

Mr. McCLINTIC. Is this an extension of the appropriation in the last bill?

Mr. FRENCH. It is a continuing appropriation on which we are proposing the restriction indicated.

The CHAIRMAN. Without objection, the pro forma amendment will be withdrawn and the Clerk will read.

The Clerk read as follows:

BUREAU OF AERONAUTICS
AVIATION, NAVY

For aviation, as follows: For navigational, photographic, aerological, radio, and miscellaneous equipment, including repairs thereto, for use with aircraft built or building on June 30, 1925, \$375,000; for maintenance, repair, and operation of aircraft factory, helium plant, air stations, fleet activities, testing laboratories, and for overhauling of planes, \$6,921,625, including \$300,000 for the equipment of vessels with catapults; for continuing experiments and development work on all types of aircraft, \$1,550,000; for drafting, clerical, inspection, and messenger service, \$700,000; for new construction and procurement of aircraft and equipment, \$5,243,375; in all, \$14,790,000; and the money herein specifically appropriated for "Aviation" shall be disbursed and accounted for in accordance with existing laws as "Aviation" and for that purpose shall constitute one fund: *Provided*, That in addition to the amount herein appropriated and specified for expenditure for new construction and procurement of aircraft and equipment the Secretary of the Navy may enter into contracts for the production and purchase of new airplanes and their equipment, spare parts, and accessories, to an amount not in excess of \$4,100,000: *Provided further*, That no part of this appropriation shall be expended for maintenance of more than six heavier-than-air stations on the coasts of the continental United States: *Provided further*, That no part of this appropriation shall be used for the construction of a factory for the manufacture of airplanes: *Provided further*, That the Secretary of the Navy is hereby authorized to consider, ascertain, adjust, determine, and pay out of this appropriation the amounts due on claims for damages which have occurred or may occur to private property growing out of the operations of naval aircraft, where such claim does not exceed the sum of \$250: *Provided further*, That all claims adjusted under this authority during the fiscal year shall be reported in detail to the Congress by the Secretary of the Navy.

Mr. CONNALLY of Texas. Mr. Chairman, I move to strike out the last word.

The CHAIRMAN. The gentleman from Texas moves to strike out the last word.

Mr. CONNALLY of Texas. I want to ask the gentleman from Idaho a question as to the item on page 40. I would like to know the significance of this clause—

Provided further, That no part of this appropriation shall be used for the construction of a factory for the manufacture of airplanes.

Was it proposed by the department to establish a factory?

Mr. FRENCH. The factory for the manufacture of airplanes at Philadelphia was built several years ago without the specific authority, as I understand it, of the Congress. It was resented by the Congress at the time, and this language has been carried here for several years.

Mr. CONNALLY of Texas. Does it mean that the committee is opposed to the Government building its plants?

Mr. FRENCH. If we were to build a plant it would require, as we see it, general legislation.

Mr. CONNALLY of Texas. The department has no authority to build a plant unless it is authorized to do so by some legislation?

Mr. FRENCH. No.

Mr. CONNALLY of Texas. Then why put that language in the bill? It is not necessary, is it? It looks to me as though it were an attempt on the part of somebody to tie up the Government to the policy of being required to buy these airplanes from private concerns.

Mr. FRENCH. Oh, no. I think the gentleman is right in saying that the department would not have authority to go ahead and erect an airplane factory without authorization. This apparently was written into the law as an additional precaution, and it has been carried for several years. I do not believe the language is needed. The gentleman himself does not want the department to go ahead and erect an aircraft manufacturing plant without authority from Congress?

Mr. CONNALLY of Texas. No; but I would not want to commit the Government irrevocably to this kind of a policy.

Mr. DOWELL. Mr. Chairman, I move to strike out the last word for the purpose of asking the chairman of the committee a question. Has there been any effort on the part of the committee to coordinate this department with the air service of other departments of the Government?

Mr. FRENCH. In just what way does the gentleman use the word "coordinate"? Does the gentleman mean to amalgamate them as one service?

Mr. DOWELL. Yes.

Mr. FRENCH. The members of the committee, of course, would not have authority to do that, but I beg to say that we have gone into the question of the extent to which they are coordinating, each within the services or duties imposed upon the respective units; that is, the Army air unit and the Navy air unit. As much as possible we are trying to be helpful in seeing that they coordinate so there will not be an overlapping of activities. For instance, not long ago planes acquired by the Navy Department for the use of the Navy of one type were of a type so similar or identical to the type of the Army that it was arranged that the requirements of each should be contracted for simultaneously, in that way saving the Government many thousands of dollars. So wherever we can bring about coordination we are doing so.

The Navy Department wishes to do so and the War Department wishes to do so. On the other hand, my personal opinion is, regardless of the fact that we do not have authority to bring in any program of amalgamation, so as to constitute a separate air service for the United States, as they now have in Great Britain, France, and Italy, that it would be an unwise thing to do. I am more and more led to that conclusion as I study the benefits of the competitive system which exists here. More than that, I am led to that conclusion from studying the effect of the separate competitive system we have here, and measuring the results for the Navy and comparing those results with the results obtained in Great Britain, France, and elsewhere. I believe that from the standpoint of design, effectiveness and the science of aviation the United States leads them all. We do not lead in numbers, but from the standpoint of the Navy I think the art within our country has attained a greater height than it has in other countries, and I think the main reason is because we have a separate institution that realizes the importance of the air service to the Navy as a part of the Naval Establishment, and because of that it has been able to bring about results that are desirable. May I say further that Great Britain at this time, in my judgment, is on the point of establishing a separate naval air service. I understand this to be part of the program of Premier Baldwin, who has recently become the head of the British Government.

Mr. MILLER of Washington. I wish to say to the gentleman from Iowa [Mr. DOWELL]—as the gentleman from Idaho well knows—that there is a strong coordinating arrangement between the Army and Navy air forces.

Mr. FRENCH. Undoubtedly.

Mr. MOORE of Virginia. May I ask the gentleman from Idaho a question?

Mr. DOWELL. Mr. Chairman, I desire to retain the floor.

The CHAIRMAN. The gentleman from Iowa asks unanimous consent to proceed for two minutes longer. Is there objection?

There was no objection.

Mr. DOWELL. The reason I am making the inquiry is because of a controversy over this question which I heard a

short time ago in which it was charged, with a good deal of force, that a great many millions of dollars was being spent by the Government annually in duplications of this work in the various departments, and that if the departments could be placed under one organization many millions of dollars could be saved, and, perhaps, greater results obtained. What does the gentleman say with reference to that in the way of an economical conduct of the department?

Mr. FRENCH. Well, I do not think you could obtain the results we are now obtaining by any such program. I do not think there is duplication to a great extent. We have a joint board that has to do with aeronautics, representing the War Department and the Navy Department. That board endeavors to work out a program so that there will be as little as possible of overlapping of activities. But the gentleman must realize this:

Suppose that you would draw a hard and fast line to separate the Army and Navy activities, say, along the coast. That would, of course, have to be an exact line where the land and ocean meet or else a few miles out at sea or a few miles inland. Where would you draw the line? Would it be up to an Army officer in the event of crisis when he reached the line to turn back from an enemy plane and let a naval officer take charge? Such supposition is absurd. The best we can do, as I see it, is to define the Army and Navy work along broad lines and then mix with administration a good deal of sound sense and respect for the other service.

Mr. DOWELL. That is the identical question I was trying to bring out.

MESSAGE FROM THE SENATE

The committee informally rose; and the Speaker having taken the chair, a message from the Senate by Mr. Craven, one of its clerks, announced that the Senate had passed the following resolutions and bill:

S. J. Res. 157. Joint resolution extending appropriation in connection with Columbia Basin investigation;

S. J. Res. 159. Joint resolution providing for the control and eradication of the European fowl pest and similar diseases in poultry; and

S. 3545. An act to revise and reenact the act entitled "An act granting consent of Congress to the Huntington & Ohio Bridge Co. to construct, maintain, and operate a highway and street-railway bridge across the Ohio River between the city of Huntington, W. Va., and a point opposite in the State of Ohio," approved August 18, 1923.

NAVAL APPROPRIATION BILL

The committee resumed its session.

Mr. JONES. Mr. Chairman, I have an amendment at the desk which I desire to offer.

The CHAIRMAN. The gentleman from Texas offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. JONES: Page 40, line 2, after the word "planes," strike out the figures "\$6,921,625" and insert in lieu thereof the following: "\$11,921,625: *Provided*, That not to exceed \$5,000,000 may be used for the acquisition of land or interest in land by purchase, lease, or condemnation, where necessary, to explore for, procure, or reserve helium gas, and also for the purchase, manufacture, construction, maintenance, and operation of plants for the production thereof and experimentation therewith."

Mr. FRENCH. Mr. Chairman, I make a point of order upon the amendment.

Mr. JONES. Will the gentleman reserve the point of order?

Mr. FRENCH. I will be pleased to reserve the point of order.

Mr. JONES. Mr. Chairman, I desire to state that this is the identical language that was carried in last year's military appropriation bill except as to the amount.

This is to cover a matter recommended by the helium board, composed of representatives of the Bureau of Mines, and recommended also by those in the Army and those in the Navy who have advocated the conservation of helium.

About three years ago extensive hearings were had before the Committee on Public Lands looking to the development and conservation of helium. After rather extensive hearings that committee decided it did not have jurisdiction. All of those who appeared and all of those who were interested in helium, including Doctor Moore, who has spent years in this work, were very earnest in their desire that this matter be taken care of. The matter then went to the Committee on Military Affairs, and after some considerable hearings at the last session they reported a bill covering the project. There does not seem to be any opposition to it on the part of those who have investigated

it. This bill is pending before the House, but of course, even if it passed at this session, it would be impossible to take care of it in the way of an appropriation unless some appropriation of this character had been made.

Mr. McKEOWN. Will the gentleman yield for a question?

Mr. JONES. I will yield to the gentleman for a question.

Mr. McKEOWN. I simply wanted to ask the gentleman if the adoption of his amendment would not tend to decrease the production of helium rather than increase it, because you take it away from private individuals.

Mr. JONES. I do not think so at all. As a matter of fact, this is an appropriation that would care for a product that is in this country and is in no other country in appreciable quantities. A number of other countries have spent more than is proposed to be spent here in an effort to discover helium or to discover a process of making helium, realizing its great value. Here we have the natural product on which we have a monopoly and which we are allowing to go to waste in the gradual use of the natural gas of this country.

I assume a good many of you heard the speech made by my colleague the gentleman from Texas [Mr. LANHAM] on yesterday. The gentleman from Texas [Mr. LANHAM] is the helium expert of the House and appeared before both of these committees and urged the adoption of this bill.

Now, listen. Everyone who has studied the efforts of the last war realizes that the next war is going to be fought in the air and under the sea, probably, if we are ever so unfortunate as to get into another war. In accordance with the disarmament conference we have sunk battleships worth a great deal more than is suggested here. So far as the House is concerned, we authorized at the close of the last Congress the building of cruisers to the extent of more than \$100,000,000 and certain other ships for war purposes. There are large appropriations in this bill for the same purpose. If my amendment is adopted, I will move to reduce the appropriation for ships, so that it will not increase the appropriation as carried in the bill. I believe that this is more important probably, in so far as any prospective war is concerned, than the building of all those ships. It is something that this country has a natural monopoly of. Would it not be wise to transfer a portion of the funds herein appropriated to this new and valuable use?

In the last war we had captive balloons at various places on the front. We used various methods of getting views of the opposition's positions by means of hydrogen-filled balloons. A single incendiary bullet would destroy the whole thing, and yet we found it advisable to use them. Helium will not explode. It will not burn. You can shoot an incendiary bullet through a balloon filled with helium and it will not explode. This has been thoroughly tested. By means of a process now used a small opening in the balloon will heal itself, so that a bullet might pass through a helium filled balloon without doing material damage.

Here is an element on which the United States Government has a natural monopoly. It is found in commercial quantities in no other country on the globe. They have tried to buy some from this country. They have tried to discover it, but they have been unable to do so.

You know it is strangely true that a great deal of the development of the natural resources of a community or of a town or of a national government even is made by people from the outside. We frequently do not appreciate what is nearest us. There are a great many little cities that are developed in that way. A Columbus has to come along sometimes and discover the fine things. It is usually in the form of some one from the outside who sees the possibilities.

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. JONES. Mr. Chairman, I ask for three minutes more.

The CHAIRMAN. The gentleman from Texas asks unanimous consent to proceed for three additional minutes. Is there objection? [After a pause.] The Chair hears none.

Mr. JONES. Other countries realize the importance of this product, and I believe this country ought to do so. Doctor Moore and the entire helium board for three years have urged this measure and have advocated it in every possible way. Those in the Navy who have had charge of this proposition have appeared before both the Naval Affairs Committee and the Military Affairs Committee and have secured appropriations from year to year barely sufficient to run the little plant located in one part of the United States, and yet we have helium in a number of places strung out from Texas all the way up to Pennsylvania, and it is in commercial quantities at a number of those places.

It is a new project. We spend a great deal more than this in the development of things not half so important. I hope

the chairman of the committee will not urge his point of order. It is in the exact language of the last military appropriation bill. The matter has been thoroughly considered by the Public Lands Committee and they were all favorable, but held that they did not have jurisdiction. It went before the Committee on Military Affairs and they reported the bill.

During the World War a great many shots were wasted, because it was impossible to tell the exact location of the mark at which the same were leveled. Perhaps a very small percentage of the shots that were actually fired reached the ultimate mark at which they were aimed. In an effort to aid in finding the exact location of the enemy and the point sought to be reached, captive balloons were used for observation. These captive balloons were filled with hydrogen. They would remain up for hours with observers surveying the enemy's camps, fortifications, and locations. A single shot would destroy them and endanger the lives of the observers, yet it was necessary to use them. If they had been filled with helium, they would have been very much safer.

Most of the raids over London were conducted by the Germans in dirigibles, because they could carry immense supplies of bombs. These dirigibles were filled with hydrogen, which is very combustible. Had they been filled with helium they would have been much safer, longer trips could have been made, and the damage very greatly increased.

Helium is being wasted in this country whenever a cubic foot of gas is used that contains helium, and when gone it is gone forever. There is no assurance that the supply is unlimited. Nothing has been found to take its place. It would seem, therefore, that the wise policy would dictate its conservation, and I hope the amendment will be agreed to. It would simply mean a transfer of a portion of the funds carried in this bill from the building of cruisers and battleships to the conservation of helium. The battleship is becoming of less and less importance in war time. The overhead warfare and undersea warfare is becoming more important. The adoption of this amendment under the circumstances would mean no greater expenditure, and yet I think a much wiser one.

Mr. McCLINTIC. Mr. Chairman, I move to strike out the last word. I do this for the purpose of making a statement with reference to helium. I am a member of the Naval Affairs Committee, and as a member I have taken a good deal of interest in the development of aircraft. I hold somewhat different views from a majority of the members of the committee in that I believe with my colleague from Texas that in the future a majority of our conflicts will be decided in the air or under the water.

Not long ago there was given publicity in this country to a statement which was to the effect that in a short time it was proposed to build a large dirigible which would be twice as large as the *Shenandoah*, and if there is to be development of this kind, then it is going to be necessary, if we are to proceed along those lines to make proper investigation for the purpose of finding out whether we have a sufficient amount of the kind of gas that will make navigation safe in the air.

In the State of Oklahoma we have extensive gas fields, and in nearly all of the gas fields that I have been informed about there is to be found a large amount of helium. Most of the helium at the present time is going to waste. If we are to develop our aircraft in the future in either branch of the Army or the Navy, surely it would be economy in the end to appropriate a little money to be used for this purpose.

When it is taken into consideration that this amendment only increases the appropriation \$2,000,000, and when we compare it with appropriations for other branches of the Navy, it seems to me it would be wise to favor this amendment so that we can make proper investigation along the lines that will give us the information necessary to make navigation of the air more safe. Inasmuch as other countries do not have the advantage of helium, and helium is to be found in Kansas, Oklahoma, and Texas, surely it would be economy in the end to allow an amendment of this kind to be considered in order that we may progress in the future along the line of absolute necessity. Therefore, I hope the chairman of the subcommittee will see the necessity of aiding in this movement rather than throwing something in the way by making a point of order against the amendment.

Mr. FRENCH. Mr. Chairman, I wish to make a short statement on this subject. If there is a Member of Congress that did not hear the speech of the gentleman from Texas [Mr. LANHAM] on helium yesterday, he ought to read it. It is illuminating; it is a splendid discussion of the development of helium and the importance of helium to our country.

We are making tremendous progress. For instance, from the standpoint of production and the cost of production, a year ago

when a representative of the department came before our committee it was the understanding that at that time, or at least immediately before that time, it cost as high as from \$100 to \$135 a thousand cubic feet to extract helium. At that time we were advised of a process by which it was hoped the cost could be brought down; it was hoped that it could be reduced as low as \$15 a thousand cubic feet. This year when the officers came before our committee we were told that already through a new process they have reduced the cost of recovering helium from natural gas to about \$55 per thousand cubic feet, practically cutting it in two.

We are developing along other lines. For instance, the question of storage has been a difficult proposition. How are you going to care for helium and store it after it is extracted from the natural gas? There are different methods of storing helium, but all are expensive, and I believe the cheapest method adds about 30 per cent to the cost of the helium. In other words, it costs that much to store it, in addition to the cost of recovering the helium.

We are developing a means by which it can be stored underground. We need to develop and explore along that line. In other words, if we are going to use the gas that contains helium, we have to prepare some sort of storage capacity until it may be used.

On the other hand, the members of this committee realize that it is the sense of the House of Representatives that the Appropriations Committee shall not permit to go upon their bills large programs that are legislative programs rather than appropriation programs. Here you are asking an appropriation of \$5,000,000. I do not doubt that it is for a good purpose. I wish there were some way now by which we could conserve the helium. It may be even that this would be in line of economy in the long run, but there is something more important than permitting an item to go into this bill now, and that is the integrity of the rules of the House touching great policies that ought to be cared for by the legislative committees. For that reason I am constrained to make the point of order against the amendment.

Mr. TILSON. Will the gentleman yield?

Mr. FRENCH. Yes.

Mr. TILSON. Is there a way of keeping the gas after it is put in the envelope? Does it escape from the envelope readily?

Mr. FRENCH. We have gone into that. There is some loss, but not nearly so much as with hydrogen. Even so when the gas is in the bags used in our ships there is a certain loss.

Mr. TILSON. Is there any deterioration in quality when it is stored even under ground?

Mr. FRENCH. Practically none, and I would say that even if there were deterioration, we have developed processes of purifying the helium so that it can be restored to its original purity, either from storage or gas bags.

Mr. TILSON. Did I understand the gentleman from Texas [Mr. LANHAM] correctly the other day in saying that this method of using water ballast had succeeded to such an extent that it is not necessary to valve out any helium in order to prevent rising?

Mr. FRENCH. That is correct. The gases that escape from the exhaust of the motors will, when combined with other elements of the air be converted into water that will weigh even more than the weight of fuel oil originally. In other words, it will amount practically to 110 per cent of the weight of the original fuel oil, so that there even would be water to throw away.

Mr. TILSON. So that there is no loss of gas practically by valving?

Mr. FRENCH. No; providing we have this device attached to the ship.

Mr. JONES. Mr. Chairman, will the gentleman yield?

Mr. FRENCH. Yes.

Mr. JONES. The gentleman realizes that the helium that is in the gas when the gas is used up is wasted?

Mr. FRENCH. Absolutely.

Mr. JONES. And there is no assurance of our permanent supply of helium?

Mr. FRENCH. That is correct.

Mr. JONES. And this is about the only way for doing this at this short session.

Mr. FRENCH. I am sorry to be compelled to make the point of order.

The CHAIRMAN. The Chair finds that this language was used in the Army appropriation bill a year ago, but no point of order was raised against the language at that time.

Mr. JONES. Mr. Chairman, I concede that it is subject to the point of order.

The CHAIRMAN. The gentleman from Texas concedes the amendment to be subject to the point of order. The Chair is distinctly of the opinion that it is subject to the point of order and sustains the point of order.

Mr. MOORE of Virginia. Mr. Chairman, I move to strike out the last line for the purpose of asking the gentleman from Idaho [Mr. FRENCH] a question. It is easy enough to theorize about grouping or coordinating Government activities, but it is very difficult sometimes to do anything of that sort, even though the theory itself may seem to be perfect. The joint committee on the reorganization of the Government departments did not consider it wise or expedient to report any proposition of that sort to the House with reference to the various air services. This is the question I desire to put to the gentleman from Idaho: Whether from his very intimate knowledge of the work of the Committee on Appropriations he can give us any idea of what the total expenditures are for the air service in its various aspects during the present fiscal year?

Mr. FRENCH. Approximately \$65,000,000, if you include the pay and subsistence of the men. If the gentleman refers merely to the appropriations carried for the air establishments, not including the men and their subsistence, he would have about half that amount, or somewhere near \$30,000,000.

Mr. MOORE of Virginia. Is the gentleman taking into consideration all of the air services?

Mr. FRENCH. Yes.

Mr. MOORE of Virginia. In the different departments of the Government? The gentleman is not confining his statement simply to the Army and the Navy?

Mr. FRENCH. Oh, no. I am including the different aviation activities of the Government.

Mr. DOWELL. Mr. Chairman, will the gentleman from Virginia yield?

Mr. MOORE of Virginia. Yes.

Mr. DOWELL. The gentleman stated that his committee did not find that these departments of the air should be united. Upon what theory did the committee arrive at that conclusion?

Mr. MOORE of Virginia. It was upon representations similar to those that have been stated by the gentleman from Idaho [Mr. FRENCH] that the activities are so diverse that they can not well be grouped so as to maintain the efficiency that we all desire. I will say this to the gentleman, that perhaps he and I might agree that it would be well to have a standing committee which could take into view all of the needs of the Government in respect to air service, a committee on which members of the Committee on Naval Affairs and members of the Committee on Military Affairs might serve.

Mr. DOWELL. We have that system somewhat followed in the fact that all members of the Committee on Appropriations are members of subcommittees.

Mr. MOORE of Virginia. That is true as to appropriations, but I am talking about the legislative features that have to be dealt with.

Mr. DOWELL. As I understand, the gentleman's committee has as its purpose the coordinating of the various departments of the Government for the purpose of economy and efficiency. Does the gentleman believe that our system of each department now having an entirely separate department of the air will do the work with the same economy and the same efficiency as if all of the appropriations for the air were put into the hands of one single department, with such branches as might seem advisable after the work has progressed to a certain point? Would not better results follow from such an organization?

Mr. MOORE of Virginia. I would have been prepared two years ago to answer that question in the affirmative, but after hearing the evidence presented to our committee I was obliged to come to a different conclusion.

Mr. DOWELL. Then, in other words, the gentleman believes there is more efficiency in the present departments than there would be if they were united into one division?

Mr. MOORE of Virginia. If I had not thought so, I would, as one member of the committee on reorganization, have advocated a grouping of the various services. The committee, however, is of opinion, as unanimously expressed in its report, which excludes any suggestion of the coordination of these various services, that it can not wisely be done at this time.

Mr. HULL of Iowa. Mr. Chairman, I rise in opposition to the pro forma amendment. Does the chairman of the committee think that lighter-than-air machines have any practical use in actual war; and if so, what would that use be?

Mr. FRENCH. Well, the members of the committee asked that very question of those representing the aviation service, and it is the belief of officers that the lighter-than-air craft does have a military value. Were an inflammable gas used, the value of the lighter-than-air craft would not commend itself. Even so, it was used considerably during the World War. The fact that we have helium gives advantage in that regard to the United States. Of course, I do not believe its value equals the heavier-than-air craft as part of our defense.

Mr. HULL of Iowa. As a matter of fact if we had a fleet of the lighter than air such as the one that was christened here the other day, the *Los Angeles*, filled with helium and war should be declared we would spend a little money, would we not, finding a cave to hide it in where they could not find it with an airplane?

Mr. FRENCH. I recognize there is force in the suggestion the gentleman makes, that as a fighting weapon it does not have in my judgment the value of the heavier-than-air craft.

Mr. FROTHINGHAM. But the objection in the last war to these machines was that we did not have helium gas and an inflammable bullet would set one on fire by combustion or breaking. Now the advantage of these machines we have here is they not only have helium, but it is kept in separate bags so that in case one or a dozen go the machine can still fight effectively. The whole condition has changed since the last war.

Mr. HULL of Iowa. I ask the gentleman, who has studied the proposition, what was he going to do with it in case of a war.

Mr. FROTHINGHAM. I am not going to do anything with it, I trust that matter to the Secretary of War and to the Secretary of the Navy.

Mr. HULL of Iowa. I have asked that same question of the War Department and the Navy Department, and no one has ever been able to answer the question. Now, Mr. Chairman, I am not opposed, I want to say, to the development of the art if we want to spend a lot of money on it, but I am opposed to the idea of holding it up as a fighting asset. It has no value. If anyone had been down to the christening of the *Los Angeles*, he would have observed that it took them nearly three hours and 500 men finally to bring that machine to the ground. One airplane could have destroyed a hundred of them. They have no defense. I just wanted to call the attention of the House to that fact.

Mr. JONES. Will the gentleman yield?

Mr. HULL of Iowa. I am perfectly willing, as far as I am concerned, to develop helium gas. It may have some commercial purpose; I do not know but what it has, but it is not proper when you are appropriating for the Army and Navy, and it is very questionable whether you have the right to appropriate to develop an industry for commercial purposes, and that is what you are doing so far as lighter-than-air machines go to-day.

Mr. JONES. Will the gentleman yield?

Mr. HULL of Iowa. Certainly.

Mr. JONES. Of course, probably the reason they took so much time to come down was their desire not to waste any of the helium, but on the question of use in war the gentleman realizes that we used captive balloons in great quantities during the war which were filled with hydrogen—

Mr. HULL of Iowa. And all of questionable value.

Mr. JONES. They used them all through the war, even up to the close of the war. Of course, the gentleman might want us to take his word and judgment against the word and judgment of those who were in control of the military and naval forces during the war. The Germans made a number of raids of a wide radius with lighter-than-air craft which were combustible.

Mr. HULL of Iowa. But the development of the airplane to the present high state of the art makes the lighter-than-air machines absolutely obsolete.

Mr. JONES. We had airplanes during the war, and these machines can go a much greater distance.

The CHAIRMAN. The time of the gentleman has expired, and the pro forma amendment will be withdrawn.

The Clerk read as follows:

NAVAL ACADEMY

Pay, Naval Academy: Pay of professors and others, Naval Academy: Pay of professors and instructors, including one professor as librarian, \$236,900: *Provided*, That not more than \$36,500 shall be paid for masters and instructors in swordsmanship and physical training.

Mr. DENISON. Mr. Chairman, I move to strike out the last word. I want to call attention during these five minutes to

the subject of the Naval Academy. This week the newspapers carried a report that a new superintendent had been selected or appointed for the Naval Academy. I have called up the Bureau of Navigation and find that report is true, and Admiral Wilson is to be retired some time during February and is to be succeeded at the academy by Admiral Nulton, I believe. Admiral Wilson has been in charge of the academy some three or four years, and his superintendency of the institution has certainly been most unfortunate for the academy. All those who are interested in the academy, I feel sure, will welcome the news that he is to be retired as superintendent and a new man placed at the head of that institution. In the first year of his superintendency of the academy he came before the committee and recommended in just a few words the dismissal of 79 civilian professors and their replacement by naval officers, all of whom, of course, are inexperienced as educators or instructors. The committee, of course, did not accept that recommendation, but we had to put in the bill a limitation or provision which would prevent the superintendent from removing the civilian professors and substituting naval officers in their place. Now we have put that limitation or provision in each appropriation bill that has been passed since Admiral Wilson was assigned to that institution.

Now, I have observed that the committee has not seen fit to put that provision in the pending bill. I have not read the hearings, and I do not know what it is that justifies the committee in the view they are now taking. I hope they have a sufficient reason for not carrying that provision in the bill. I am not going to make any effort this year, as I have done each year for several years past, with the assistance of many other Members, to put that provision back in the bill, because my observation has been that it makes no difference if we do put it in; it will be disregarded.

We have put that provision in each year in the last four years, I believe, to prevent the superintendent from discharging the civilian professors. He has taken advantage of technicalities and evaded the express direction of Congress concerning civilian professors, and the morale of the institution and the standards of teaching have deteriorated as the result of this course of action.

I hope the Naval Affairs Committee will take under consideration legislation governing the Naval Academy. There ought to be legislation on this subject of the management of that institution if we are to preserve it as a great educational institution, such as it was intended to be. As it is now, there is practically no law governing it, and each superintendent when appointed can generally do about as he pleases, because the Secretary of the Navy generally follows the recommendations of the superintendent.

There is a provision of law for the appointment of a Board of Visitors at the academy once each year. The Board of Visitors is composed of a certain number of Senators appointed by the President of the Senate and a certain number of Members of the House appointed by the Speaker and certain others appointed by the President.

The CHAIRMAN. The time of the gentleman from Illinois has expired.

Mr. DENISON. Mr. Chairman, may I have five minutes additional?

The CHAIRMAN. Is there objection to the gentleman's request?

There was no objection.

Mr. BLANTON. Mr. Chairman, will the gentleman yield for a question?

Mr. DENISON. In a moment.

The Board of Visitors go to the academy once a year and make some observations and study of how it is being conducted, and make a report. Now, these Boards of Visitors for a number of years have been composed of very able men, including prominent educators of the country, and they have repeatedly made specific recommendations as to what should be done to secure able men in the faculty, able civilian professors in the faculty, and as to how the institution should be run along that line; the Secretary of the Navy has attempted to put the recommendations of the board into effect with reference, for instance, to the pay of civilian professors and as to promotions and other regulations of that kind. But Admiral Wilson swept that all aside and has been running the institution in a very arbitrary and unsatisfactory manner.

Now I yield to the gentleman from Texas.

Mr. BLANTON. This academy has the standing of a first-class university. With respect to all other universities, no president of a university can discharge any member of the faculty until he has submitted his recommendation to a board of regents to pass upon the matter. What kind of a board

of regents have we for the Naval Academy to pass upon recommendations made by Admiral Wilson, the presiding superintendent?

Mr. DENISON. Well, they have had an academic board composed of the heads of each of the departments. There are various departments, you know—English, history, and so on—and the heads of these departments comprise the academic board that is supposed to advise with the superintendent as to the policy of the institution. The superintendent is supposed to consult this board with reference to the management of the institution. Admiral Wilson has not consulted them with reference to the civilian instructors and professors. He has shown a contempt for their views, and he has run that institution, as I have taken occasion heretofore to say, as he would run a battleship.

Mr. BLANTON. Can he dismiss faculty members without the consent of this board?

Mr. DENISON. He has been doing it. I have called the attention of the House to the matter year after year, and we have been trying to cure that situation and prevent its continuance. But, in spite of all that Congress could do by these limitations on appropriation bills, the superintendent has dismissed some of the best men they had on the civilian faculty, arbitrarily and contrary to expressed wishes of Congress.

Mr. DOWELL. Mr. Chairman, will the gentleman yield?

Mr. DENISON. Yes.

Mr. DOWELL. Does the gentleman realize that Congress can not specify who is to be employed and who shall not be employed in that institution and that we must depend upon the head of the institution? If we can not, we should have some one in whom we would have confidence to run the institution properly. In other words, the Congress can not take up the question of each individual professor in the institution to determine what status he should have in the institution.

Mr. DENISON. Of course the gentleman is correct, and Congress has never attempted to do so, and I have never advanced the theory that we ought to do so. But I do not think the superintendent should have the power to run the institution just as he wishes, because that is not in harmony with the plan under which it is supposed the institution is to be conducted.

The CHAIRMAN. The time of the gentleman from Illinois has again expired.

Mr. DENISON. May I have two minutes more?

The CHAIRMAN. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. BRIGGS. Mr. Chairman, will the gentleman yield?

Mr. DENISON. Yes.

Mr. BRIGGS. Can the gentleman tell us what proportion of the professors are civilians?

Mr. DENISON. I do not know now.

Mr. BRIGGS. What has it been heretofore?

Mr. DENISON. It has varied from year to year. About four years ago it was in the proportion of 50-50.

Mr. FRENCH. There were 69 civilian instructors this year and 143 naval instructors. The estimate this year for next year is 66 civilians and 138 naval instructors.

Mr. BRIGGS. What relationship obtains at West Point as between civilian instructors and Army instructors?

Mr. FRENCH. At West Point there are very few civilian instructors.

Mr. BRIGGS. How does it happen that so many civilian instructors have been employed heretofore at the Naval Academy in preference to naval instructors or officers of the Navy?

Mr. FRENCH. I do not like to intrude on the gentleman from Illinois, but I would say that the great increase occurred during the war, when officers were needed in the service.

Mr. DENISON. I hope the chairman of the subcommittee can in a moment give the House some good and sufficient reason for leaving out of the pending bill the limitations the House has put in the bills for the last four years in order to protect the institution; and I also hope the chairman of the subcommittee can give a satisfactory and sufficient explanation of the reason for the large decrease in the appropriation. The bill last year carried \$275,000 and the amount has been reduced to \$236,900 in this bill; the year before it was \$325,000, and the year before that it was \$421,000. So there has been a substantial annual decrease in the appropriations for the academy during these last four years, and there is a very substantial decrease in the appropriation for this year. Unless the plan is to further reduce the number of civilian professors, I can not understand why there is this great reduction in the appropriation.

The CHAIRMAN. The time of the gentleman from Illinois has again expired.

Mr. FRENCH. Mr. Chairman, with regard to numbers of civilian members of the faculty at Annapolis, I beg to say that the first great reduction was made from 1922 to 1923, when we reduced from 135 to 97. That was occasioned by the plan of administration of the academy to get back to what was regarded as a better division of civilian and official faculty members of the faculty. For 1924 we appropriated for 92 civilians. I think the reduction of 5 that year was administrative. The next year, 1925, when we provided for 69 civilian members of the faculty, the reduction was congressional. In other words, we ourselves gave an appropriation that required a reduction. The other reason—in addition to the first reduction looking to getting back to what the Navy Department regarded as a better balance of civilian and officer members of the faculty—was because of the decrease in the number of midshipmen at the academy. In 1923 we had 2,395, and in 1924, 2,499 midshipmen. Then, as the gentleman will recall, the policy of permitting Members of Congress to name five midshipmen each entered into the situation and a reduction was made in the number of midshipmen that could be named, so that from that time on the Members of Congress could name three. Naturally, the falling off in enrollment at the academy would not take effect completely the first year. The entering class would be only three-fifths of the graduating class, assuming that all graduated, but the three higher classes would still be the same. In other words, it would take four years for those who had been appointed when Members of Congress could appoint five midshipmen to pass out of the institution.

Now, that is responsible for the reduction in the number of faculty members for the current year. We have now 1,976 midshipmen as against nearly 2,500 in 1924, and for the coming year we estimate the number to be 1,600.

Mr. BLANTON. Will the gentleman yield?

Mr. FRENCH. I shall be glad to yield.

Mr. BLANTON. I wish the gentleman's committee had taken off these other 66 civilian professors and put officers in their stead, because we are getting so many naval officers that we might just as well make some use of them. We have not any other use for a lot of them unless we put them to teaching. We have trained them and we might as well get the benefit of their knowledge.

Mr. FRENCH. The Navy Department believes that for certain branches civilian members of the faculty can more advantageously be employed. That is not to say that an officer member of the faculty, if he were to make for his life career a specialty of teaching some subject, like English or possibly history or some other subject, would not succeed as well as though he were a civilian. On the other hand, the department believes there are certain branches that can be better taught by civilians, who will continue on from year to year. Personally I think so.

Mr. BRIGGS. Will the gentleman yield?

Mr. FRENCH. Yes.

Mr. BRIGGS. What amount of this appropriation is utilized for the payment of the salaries of civilian instructors?

Mr. FRENCH. Oh, all of this item is used for that purpose. The officers' salaries are borne out of pay of the Navy.

Mr. BRIGGS. In that connection I would like to ask the chairman of the subcommittee another question. I saw in the papers recently a statement to the effect that there was a shortage of naval officers. Has the committee made any investigation of that subject?

Mr. FRENCH. A shortage of naval officers?

Mr. BRIGGS. Yes; for sea duty and manning ships. Is that true? I saw that in a newspaper report recently.

Mr. FRENCH. Here is the situation: The general law provides—

The CHAIRMAN. The time of the gentleman from Idaho has expired.

Mr. FRENCH. Mr. Chairman, I ask unanimous consent to proceed for five additional minutes.

The CHAIRMAN. The gentleman from Idaho asks unanimous consent to proceed for five additional minutes. Is there objection?

There was no objection.

Mr. BUTLER. Before the gentleman from Idaho begins let me say this to the gentleman from Texas: That those of us who have been here for 25 years or more know that there is always a shortage of officers, especially at this season of the year.

Mr. BRIGGS. I thank the chairman of the Naval Affairs Committee for that information.

Mr. FRENCH. Under the general law we may have an enlisted personnel of 137,485, and under the law 4 per cent

would be the officer complement; in other words, we would be entitled to 5,499 line officers on the basis of 137,485 enlisted men. As a matter of fact, we have 86,000 enlisted men now, and 4 per cent of 86,000 would be somewhere under 3,600. Instead of having 3,600 officers of the line we have 4,732 officers, as of September 30, 1924.

Mr. BLANTON. Then we have a surplus of 1,100?

Mr. FRENCH. Just a moment, and I think the gentleman will feel the situation is probably being maintained correctly. In other words, if you measure the officer strength by the possible officer strength on authorized enlisted personnel, we have an under number. If you measure it by the actual enlisted personnel, we have an excess of 1,100, as the gentleman from Texas suggests.

We realize it takes years to train an officer. It takes as many years to train an officer as it takes months to train an enlisted man to perform efficient duty. We believe it is the part of wisdom, and I think the House believes it is the part of wisdom, to maintain rather a larger officer personnel, taking it for granted that in the event of an emergency we can train the enlisted personnel to make good in large degree, as they have done in the past. So the gentleman who received his advice may have been rightly advised from one point of view but wrongly advised from another.

Mr. LOWREY. Will the gentleman yield?

Mr. FRENCH. May I first finish the question that the gentleman from Illinois asked before we get too far away from his question? The gentleman wants to know why we left out the language in the bill which we reported touching a sort of protection to civilian members of the faculty at Annapolis. In the first place, when the reduction came to be made at the academy of civilian teachers some three years ago there were two thoughts in view. I think that the administration of the academy, and probably the department, felt we ought to maintain more officers than we were maintaining at that time. Again, from the standpoint of economy, economies that could have been effected if we had dismissed a lot of civilian professors and in their places put officers it was urged we should reduce. But these men had entered the academy as teachers under contracts, some of them extending for five years. They had been drawn from the different colleges and universities of the country. The members of the committee did not feel it was fair to them to have such a termination made of their services.

We did not feel that the department itself ought to be asked to bear the burden of criticism on account of expense of maintaining those teachers when they could substitute officers. For that reason we said we will shoulder up as a Congress, and we will provide that they shall maintain faculty members who are civilians under certain conditions. One condition was that a contract should not be broken. Another was that a man should receive six months' notice before dismissal, and, accordingly, largely with that thought in view, the language was put in.

Since then we have carried somewhat similar language and the Congress has assumed the responsibility of providing more money for the institution than the administrative head of the institution thought desirable from either the standpoint of economy or from the standpoint of most effective teaching of the branches that are taught in the academy.

Let me make one further statement. We have not carried the language this year because we feel now we have gotten down to a basis where the department would not want to reduce the civilian personnel further.

I do not know as to the charges made touching individual civilian professors who may have been dismissed. Maybe some abuses occurred. Abuses occur under any management of any institution, not willfully but through judgment that would not perhaps be your judgment or my judgment, but the language of the law is that no civilian professor, associate, or assistant professor or instructor shall be dismissed "except for sufficient cause" without six months' notice. Who is going to decide the question of sufficient cause? Shall we bring that question here, put it on the table in front of us, and all 435 Members of this House debate whether there was sufficient cause for dismissing Jones or Smith or Brown, a civilian instructor or professor at the academy? I do not think we want to do that. I wish to protect Smith or Jones or Brown at the academy, but we must maintain a principle, and that is that this legislative body is not created for the purpose of going into detail in the administration of an educational institution of this kind. We must place responsibility somewhere, we must place authority somewhere, and that authority has been placed in this instance with the department that has charge of the training of men to be officers of the Naval Establishment.

The gentleman has referred to Admiral Wilson. I can not undertake to analyze the action of Admiral Wilson touching any particular case, nor the final action of the department. Admiral Wilson is the administrative officer and is charged with responsibility that must be placed somewhere. If in the course of the matters that came under his administration a mistake could be pointed out here or there, it would not alter my respect for him, because I believe in his integrity. Admiral Wilson is a great man. As an officer he has a most distinguished record, and many are the young men who will be inspired through their careers as officers of the Navy because of their association with Admiral Wilson.

Mr. LOWREY. Mr. Chairman, I ask that the gentleman may hold the floor about two minutes longer. I want to ask him a question.

The CHAIRMAN. Does anybody prefer a request for an extension of time?

Mr. FRENCH. I understood the gentleman to prefer a request for two minutes.

The CHAIRMAN. The gentleman from Mississippi asks unanimous consent that the gentleman from Idaho may proceed for two additional minutes. Is there objection?

There was no objection.

Mr. LOWREY. Did the committee consider the policy of giving commissions only to such graduates of Annapolis as are really needed, leaving the others for reserve naval officers in the future in case they should be needed?

Mr. FRENCH. We did consider that, and under the policy of permitting the Members of Congress to name three midshipmen, unless the department shall tighten up on resignations of officers, we are going to be hard pressed to find enough graduates to make up for the depletion of the service; but with tightening up on resignations we can have a sufficient number.

Mr. LOWREY. Is it not possible it would be a wise policy to continue to keep the institution filled in order to have reserve officers for the future, commissioning only those needed, and using the institution for the actual purpose of keeping a corps of reserve officers and not commissioning all of them?

Mr. FRENCH. Possibly that is so. I understand the legislative committee is considering the matter of modifying the policy touching number of officers of the various grades. Other factors enter into the question of number of officers we shall need, and the number which will prefer to stay in the Navy after graduation. We felt we had better await the action of the legislative committee before disturbing the present situation for this coming year.

Mr. BUTLER. Mr. Chairman, I want to ask the gentleman a question. When the Committee on Appropriations reduced the number to be appointed to the academy from five to three, did my friend then think of waiting for congressional action through the legislative committee? They certainly gave it a rude disturbance then, and the whole House and I, too, joined with the gentleman in voting for the appropriation recommended, and I think I did what was wrong; but the gentleman came in here and reported an appropriation that starved out two of them.

Mr. FRENCH. The gentleman will remember that we reduced the number of midshipmen because we were reducing the enlisted personnel, and we felt that three could take care of the situation.

Mr. BUTLER. But the gentleman did not reduce the number of officers.

Mr. FRENCH. No; because we believed in a fairly large officer personnel.

Mr. BUTLER. I believe in the same thing.

Mr. BYRNES of South Carolina. Mr. Chairman, I move to strike out the last three words. I have not addressed the committee since we started reading the bill and I do not intend to take but a few minutes. A few years ago, in 1921 and 1922, we had about 2,500 students and we had a large number of civilian professors who were introduced into the service during the war. I never knew a man to become associated with the pay roll of Uncle Sam who did not desire a continuation of the association. When the student body was reduced it was necessary that some of the civilian professors should be dismissed. Now we have but 1,900 students, and it follows that the commandant of the academy should reduce the number of civilian professors. At West Point we have six or seven civilian professors. Next year we will have at the Naval Academy 66. Can it be said that that discriminates against the civilian professors? The only objection I can make is that the commandant has not dispensed with the services of a sufficient number of civilians.

The two classes which are affected by the reduction in the number of midshipmen are the fourth class and the third class. And those are the classes where civilian professors are needed, the second and first classes teaching navigation and other subjects which should be taught by officers. The fact is that the commandant of the academy should make a greater reduction because of the reduced student body in the third and fourth classes, but he is going to reduce 10 officers and only 2 civilians. I do not think there is anything to show that Admiral Wilson has not lived up to the spirit as well as the letter of the law. The committee has followed this matter closely for the last two or three years and is convinced Admiral Wilson has lived up to the spirit of the law laid down by Congress for the protection of the civilian professors.

I take issue with the statement that Admiral Wilson has been any more arbitrary in the conduct of the academy than it is necessary for every executive to be in enforcing discipline and dispatching business. Responsibility must be lodged somewhere, and it would be unfortunate for the Naval Academy at Annapolis or for the academy at West Point to create the impression that every dissatisfied employee could appeal to Congress, there to have his complaint debated with no witnesses or information upon which we could form a correct conclusion.

So far as I am concerned I want to say that it is a matter of sincere regret to me that next February Admiral Wilson retires and will no longer head the Naval Academy at Annapolis. Instead of destroying the morale, from my knowledge of the Naval Academy, and I claim to know something of the conditions existing there, while the morale of two civilian professors may be injuriously affected, so far as the student body is concerned the morale was never better than it is to-day, and the splendid spirit of the academy is due in great measure to Admiral Wilson, as efficient a commandant as the academy has had. I believe the country owes a debt of gratitude to Admiral Wilson for the faithful and intelligent discharge of a very important and difficult task. [Applause.] He has conducted the affairs of the Naval Academy so as to give to the service splendid officers in the future, and at the same time has had an eye to the Treasury of the United States and some regard for the taxpayers of the United States. It would be easy for him to come here and ask for larger appropriations, but he has been honest with the committee. Instead of being arbitrary he has reported conditions to us, stating if we insisted that all these civilians be kept he would keep them, but that all of them were not necessary in view of the reduced number of students. For next year he proposes a reduction of only two. I think the committee will agree that he has rendered a service to the Congress and to the country.

Mr. SANDERS of Indiana. Mr. Chairman, I am quite in accord with the statement made by the gentleman from South Carolina [Mr. BYRNES]. This question about the civilian professors at Annapolis has arisen a number of times. I do not pretend to know the details about it and I would not undertake to form an independent opinion from my own personal knowledge. But judging from the conditions at West Point, and comparing the number of civilian professors there with the number of civilian professors at Annapolis, it is perfectly apparent that the Government is not being hurt by reducing the number of civilian professors. Generally speaking, naval instructors are better suited to train our boys for naval service.

But entirely aside from that question, Mr. Chairman, I want to say that I have the very highest respect for the opinion of Admiral Wilson in respect to matters connected with the Navy and, of course, with the matters connected with the Naval Academy.

Admiral Wilson has had a distinguished and honorable career, and the people of the country, as suggested by the gentleman from South Carolina [Mr. BYRNES] will owe him a great debt of gratitude for his service to the country when, in February, next year, he retires. In 1916 he became captain in command of the battleship *Pennsylvania*, the largest battleship afloat. In March, 1917, he had charge of the patrol force of the cruisers of the Atlantic coast.

In November, 1917, he had charge of the naval base on the coast of France. He became vice admiral in September, 1918, while serving in France. He became the commander of Squadron No. 4, of the Atlantic Fleet, in July, 1919, and was made commander in chief of the Atlantic Fleet at that time. When the Navy had the combined fleet maneuvers at Panama, the great Atlantic Fleet and the great Pacific Fleet, I happened to be there. I stood upon a fortified island near the Pacific entrance with the Governor of Panama, and I watched the maneuvers of the great battleships and other fighting ma-

chinery of the American Navy, and it thrilled my heart with pride to see that fine Navy in those maneuvers. The officer who had entire command of the combined Fleet was Admiral Wilson.

He graduated from the academy in 1881, a year before I was born. Commencing away back there, covering a period of 45 years, he has given all of the best years of his life to his country, and he retires in February. I do not know how others feel about it, but I do not propose to disregard the views about naval affairs of a man who has given so many years to the service, whose career is without a blemish, and accept instead thereof the views of some one else who happens to think that there ought to be more civilian professors. [Applause.]

The Clerk read as follows:

For pay of employees at rates to be fixed by the Secretary of the Navy, as follows: Administration, \$154,800; department of ordnance and gunnery, \$16,952; departments of electrical engineering and physics, \$17,727; department of seamanship, \$8,880; department of marine engineering and naval construction, \$47,922; commissary department, \$188,993; department of buildings and grounds, \$131,794; in all, \$567,068.

Mr. DENISON. Mr. Chairman, I move to strike out the last figures. I do this for the purpose of calling attention to the difference between the way in which the Military Academy and the Naval Academy are managed. We have never attempted to have a civilian faculty at West Point, with the exception of four or five professors. At the Military Academy the instructors are not changed every two years as they are at the Naval Academy, under the rule which provides that the naval officers assigned to the academy to teach have to go back to sea at the end of the second or third year at the most. In that way they can not remain a part of the permanent teaching staff at the institution. There is a continual change in the academy at Annapolis, and anyone who is familiar with educational institutions knows that that is a bad thing. That is not true at West Point. They have a permanent teaching force there, including the military officers. If we had a permanent force among the naval officers who teach at the Naval Academy, there would be no objection to them, because they could prepare themselves for that kind of work and stay with it. The objection is that they are changing all of the time. Several gentlemen who have spoken on this subject, particularly the gentleman from South Carolina [Mr. BYRNES], spoke about reducing the number of civilian professors. No one has attempted to stop that. Congress has not attempted to prevent the reduction in the number of professors when they are not needed. The only thing that we have been attempting to do in the last three or four years is to prevent the removal of civilian professors and the substitution in their place of naval officers, so that the boys who are at the Naval Academy will have the benefit of trained instructors and trained educators in their efforts to get an education. The young men who go to the academy have no opportunity to go to any other educational institution, of course. It is their only opportunity to get an education, and some of us have been trying to make it a real educational institution rather than a mere naval training station.

Of course the remarks of the gentleman from Indiana [Mr. SANDERS] with reference to Admiral Wilson and his naval career are interesting. I have not at any time criticized him as a naval officer. I have always spoken of him in high terms. There is no conflict upon that question; but the issue raised heretofore and still raised is that by temperament and for other reasons he is not particularly qualified to run an educational institution. I do not care how well qualified a man may be to command a battleship or a battle squadron, that does not prove that he is capable of properly conducting and managing an educational institution, and that is all there is to this controversy.

I wish the chairman of the committee would answer the further question that I asked a while ago: If they do not intend to further reduce the civilian faculty, why was the appropriation reduced so substantially in this bill?

Mr. FRENCH. Mr. Chairman, the amount that is carried in the bill is slightly less than the amount that will be used actually this year. In other words, we appropriated last year more than they will be able to use on the basis of the number of the faculty members they will need to have.

The Clerk read as follows:

Current and miscellaneous expenses, Naval Academy: For text and reference books for use of instructors; stationery, blank books and forms, models, maps, and periodicals; apparatus and materials for instruction in physical training and athletics; expenses of lectures

and entertainments, not exceeding \$1,000, including pay and expenses of lecturer; chemicals, philosophical apparatus, and instruments, stores, machinery, tools, fittings, apparatus, and materials for instruction purposes, \$77,800.

Mr. KETCHAM. Mr. Chairman, I move to strike out the last word. Referring again to this matter of instructors, what is the reason for the policy that is followed in the designation of naval officers as instructors at the academy for periods of only two years and then require that they shall be assigned to sea duty?

Mr. FRENCH. Whether or not a two-year period or a three-year period would be the right amount of time I would prefer to leave to be met by the officers of our Navy Department. The general thought is that an officer who comes from a battleship, a submarine, a destroyer, or some other great institution or an activity of the Navy Department to the academy as a teacher will be able to bring something new. In addition to scholarship he brings practical experience. In other words, he comes as a man to meet young men who are looking forward to a life in the very service in which he has been engaged and of which they dream. It is for the purpose not only of imparting information and giving instruction in academic studies but for the purpose of instilling into the midshipmen at the academy the spirit of the Navy. The midshipmen must go out commissioned officers with a broad view of the Naval Establishment upon their graduation from the academy, and they must be fired with the spirit of service if they would succeed.

Mr. KETCHAM. Mr. Chairman, the distinction which the gentleman makes would apply very well to subjects that have to do with the technical work of the Navy.

Mr. FRENCH. And that is the place where it is stressed.

Mr. KETCHAM. Does the gentleman believe that instructors in mathematics or in history, or in any of the subjects not necessarily technical, would be so well equipped for their work by that continuous change? Does he not believe that frequently there are assigned to the Naval Academy men who from a pedagogical standpoint are not particularly well qualified for the work; proficient, no doubt, as naval officers, but without training, experience, or knowledge in relation to teaching? Does he believe that a system of selection of instructors that must frequently result in such assignments is for the best?

Mr. FRENCH. Of course, wherever you place administrative authority, there is danger of mistake, and I am afraid it will long be so in this world of ours. But let me say in response to the gentleman's suggestion that the branches that to a layman could most advantageously be handled by civilians are the ones that the administrative officers of the Navy say shall be handled by civilians. Thus, for the most part, the subjects the gentleman has mentioned are not taught by officers.

Mr. KETCHAM. If the gentleman will yield further, I do not want it to be understood that I am arguing for an increase of civilian instructors. If the teaching ability of naval officers assigned to the academy as instructors could be considered, I think I would favor an increase of such assignments. I am wondering whether there is any arbitrary plan by which these naval instructors are selected? Can the gentleman advise us on that point?

Mr. FRENCH. I would say this: In the first place the names of available officers are submitted to the head of the academy. He goes over them. He tries to ascertain from his own personal knowledge or through men who are in touch with the prospective members of the faculty whether or not they would be suitable for the work at hand. In other words, a selective process is followed.

The CHAIRMAN. The time of the gentleman has expired.

Mr. KETCHAM. I ask for three additional minutes.

The CHAIRMAN. Is there objection? [After a pause.] The Chair hears none.

Mr. KETCHAM. Mr. Chairman, in order to make my point clear may I call the attention of the committee to the fact that three of the limited number of Rhodes scholarships for next year have been bestowed on cadets at West Point.

To me that is an indication that the policy that has been adopted there of continuing Army men who have proven their ability as instructors is sound. A Rhodes scholarship is a splendid prize and does great honor to the person receiving it and to the college or university where he receives his training. Three such scholarships in one year from West Point puts the stamp of approval on their system of selecting instructors. I was wondering if something of the kind ought not to be worked out for our Naval Academy.

Mr. FRENCH. What is scholarship and why maintain an institution like the Naval Academy? The purpose of the

academy is to train young men to become officers in the Navy. Were that not the purpose we could depend upon our colleges and universities to turn out an adequate number of young men every year who would possess scholarship befitting an officer of the Navy. But that is not enough. A naval officer requires special and technical training. In the small compass of a submarine are technical mechanisms that should be placed in charge of only a specially trained man. And so of a battleship or a destroyer. And no less skill is required in ordnance or in aviation. Academic scholarship and technical training must go side by side.

I do not pretend to say what is the best plan for the Army, but we all know that the officer personnel of the Army is fed in large part from our colleges and universities. Not so with the Navy. For each branch of the service must be worked out the plan of training that is best. At Annapolis we concentrate more in engineering, in applied science, in curricula that deal more with technical branches. West Point is a great institution. Its purpose is to train for the Army, and I have no doubt the plan of training for Army service is adequate. The gentleman speaks of several West Point cadets attaining Rhodes scholarships and he regards this record as having special significance.

Surely it is a proud record, but may I remind the House that to West Point we send young men who are older by two years than the boys we send to Annapolis. Many of the young men who enter West Point are college graduates before they cross the threshold of that institution.

That an older type of young men should enter West Point than enter Annapolis is apparent. A West Point graduate goes out of the institution to take charge of men; a graduate of Annapolis goes out to take charge first of all of devices, of machinery, of problems, and finally of men. In other words, he must be a technically trained man, and to attain the best we have provided an entrance age younger by two years than that required for West Point.

On the whole, in answer to the gentleman, I believe in the judgment of the officers of the Navy as they have worked out a program of training of the young men who will assume with passing years the responsibility of officers of our Naval Establishment.

Mr. HILL of Maryland. Will the gentleman yield?

Mr. FRENCH. I will.

Mr. HILL of Maryland. A year ago last spring the Board of Visitors on behalf of Congress went over that matter very carefully at the Naval Academy. The question, as the chairman will recollect, was very thoroughly debated here a year ago on this appropriation bill. They reported they had gone over that matter not only with the authorities of the Naval Academy, but the gentlemen also stated they had gone over it very carefully with the authorities of the Navy Department, and they were making a selection of professors from the service for the Naval Academy with a very special view of their qualifications of the subjects that they were to teach as well as their teaching inspiration as service men. That policy still exists, does it not?

Mr. FRENCH. I believe so.

The Clerk read as follows:

Maintenance and repairs, Naval Academy: For necessary repairs of public buildings, wharves, and walls inclosing the grounds of the Naval Academy, improvements, repairs, and fixtures; for books, periodicals, maps, models, and drawings; purchase and repair of fire engines; fire apparatus and plants, machinery; purchase and maintenance of all horses and horse-drawn vehicles for use at the academy, including the maintenance, operation, and repair of three horse-drawn passenger-carrying vehicles to be used only for official purposes; seeds and plants; tools and repairs of the same; stationery; furniture for Government buildings and offices at the academy, including furniture for midshipmen's rooms; coal and other fuels; candles, oil, and gas; attendance on light and power plants; cleaning and clearing up station and care of buildings; attendance on fires, lights, fire engines, fire apparatus, and plants, and telephone, telegraph, and clock systems; incidental labor; advertising, water tax, postage, telephones, telegrams, tolls, and ferrage; flags and awnings; packing boxes, fuel for heating and lighting bandsmen's quarters; pay of inspectors and draftsman; music and astronomical instruments; and for pay of employees on leave, \$1,000,000.

Mr. BLANTON. Mr. Chairman, on page 43, line 8, I move to strike out the word "postage." It is a pro forma amendment.

The CHAIRMAN. The gentleman from Texas offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. BLANTON: Page 43, line 8, strike out the word "postage."

Mr. BLANTON. Mr. Chairman, there is a movement right now on foot in this Capitol to use the report of an alleged bribery by some officer in the Capitol as an excuse for turning down the postal pay bill. They ought to get some better excuse than that. Why, among all the thousands of postal employees as a class maybe you will find some dishonest one as in every other class or organization, some one who might attempt to bribe, but as a class these postal employees are honest. Are you going to visit a wholesale punishment upon the whole class because one individual may be dishonest? Are you going to deny every one of those men this deserved increase pay because some one in their fold may have done wrong? I say that is an excuse that is ridiculous, and I hope that the movement on foot right now to use this incident as an excuse to uphold the veto of the President will be abandoned.

Mr. BEGG. Will the gentleman yield?

Mr. BLANTON. I did not want to take up but a minute, but I will yield.

Mr. BEGG. I do not know to whom the gentleman had reference, but certainly the gentleman knows there is no opportunity for us on this side to vote on the veto.

Mr. BLANTON. That is true, because the bill is not before us. I am talking about an excuse for sustaining the President's veto, to kill this bill that is pending in another body.

Mr. BEGG. The gentleman ought to make his speech in the other body.

Mr. BLANTON. I would if I were there; but, unfortunately for the country, I am not there. [Laughter.]

Mr. BEGG. I would suggest to the gentleman to try to get there.

Mr. BLANTON. I would prefer just now to stay here with the gentleman from Ohio.

Mr. BEGG. I will tender my services to assist you.

Mr. BLANTON. Coming over to the Capitol this morning I heard a very distinguished gentleman say, "There is no chance in the world for the postal salary bill to be passed now, since this bribery question has come up." I immediately protested against such statement. Such a punishment to be visited upon a whole organization of honorable Government employees simply because one has side-stepped and gone wrong would be unjust and inexcusable. The gentleman from Ohio knows that is no excuse whatever and ought not to be considered by anybody.

The CHAIRMAN. Without objection, the pro forma amendment will be withdrawn. The Clerk will read.

The Clerk read as follows:

INCREASE OF THE NAVY

The Secretary of the Navy may use the unexpended balances on the date of the approval of this act under appropriations heretofore made on account of "Increase of the Navy," together with the sum of \$6,944,000, which is hereby appropriated for the prosecution of work on vessels under construction on such date, the construction of which may be proceeded with under the terms of the treaty providing for the limitation of naval armament; for continuing the conversion of two battle cruisers into aircraft carriers including their complete equipment of aircraft and aircraft accessories, in accordance with the terms of such treaty; toward the construction of two fleet submarines heretofore authorized, to have the highest practicable speed and greatest desirable radius of action and to cost not to exceed \$5,300,000 each for construction and machinery and \$850,000 each for armor, armament, and ammunition; for the settlement of contracts on account of vessels already delivered to the Navy Department; for the procurement of gyro compass equipments, and for the installation of fire-control instruments on destroyers not already supplied; for the installation of fire-control apparatus on the *Colorado* and *West Virginia*; and for the completion of armor, armament, ammunition, and torpedoes for the supply and complement of vessels which may be proceeded with as hereinbefore mentioned.

Mr. MORTON D. HULL. The purpose is to inquire of the chairman of the subcommittee as to the amount of the unexpended balances provided on page 48 that are authorized to be used.

Mr. FRENCH. The amount that will be available by July 1, of course, is somewhat problematical, but I should say that it would be approximately \$10,000,000. Sometimes there are factors that enter into the situation that we can not anticipate; for instance, whether or not a certain material can be obtained. It may delay the use of moneys that otherwise could be used, just as it did touching engineering, as I explained in my general statement. But it will be approximately \$10,000,000.

Mr. RATHBONE. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The gentleman from Illinois offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. RATHBONE: After line 13, page 49, amend by inserting a new paragraph in lieu thereof, as follows:

"The President is requested to enter into negotiations with the Governments of Great Britain, France, Italy, and Japan with a view to reaching an understanding or agreement relative to limiting the construction of all types and sizes of subsurface and surface craft of 10,000 tons standard displacement or less and of aircraft whenever there appears to be a reasonable prospect of agreement in a further limitation of competitive armaments."

Mr. BEGG. Mr. Chairman, I make a point of order on that.

Mr. TABER. I make a point of order against the amendment, that it is legislation on an appropriation bill.

The CHAIRMAN. The gentleman from New York makes the point of order that the amendment is legislation upon an appropriation bill. Does the gentleman from Illinois [Mr. RATHBONE] care to be heard on the point of order?

Mr. RATHBONE. I will ask the gentleman from New York to reserve his point of order for a moment.

Mr. TABER. I do not think it should be reserved, in view of the recent statement by the President on the subject. The statement of the President is well understood, and it expresses the sentiment of the country absolutely, and it places the Government in a position that is foursquare.

Mr. WINGO. The gentleman from New York, as I understand it, says this is legislation. What legislation does it propose? It is simply a warrant to the Executive to authorize his power in a line where Congress had no authority to compel him to do anything in the exercise of his power. It is simply a polite suggestion; that is all.

Mr. RATHBONE. Mr. Chairman, I would like to be heard upon the point of order.

I will say that the position that I have taken is this: This is in identical language, I believe, with the so-called Byrnes amendment which was offered by the gentleman from South Carolina at the last session on the occasion when the naval bill was under consideration.

Mr. BLANTON. Mr. Chairman, will the gentleman yield for a question?

Mr. RATHBONE. I yield.

Mr. BLANTON. Did the gentleman first get the permission of the committee before he offered this amendment?

Mr. RATHBONE. I will ask the gentleman from Texas if he is asking that as a serious question?

Mr. BLANTON. Unless he did, he will have no chance to get this carried on the bill.

Mr. WINGO. Has this passed the Budget?

Mr. RATHBONE. I will state to the gentleman in reply that this is offered on my own motion solely. I will endeavor to explain my position to the Chair and to the House.

Mr. WINGO. The gentleman by his own statement admits that he is out of order. The gentleman's last statement puts him out of order. Under the new Budget no Member has the right to offer an amendment on his own responsibility to the House.

Mr. RATHBONE. I am grateful to the gentleman for his statement, but I shall endeavor to proceed in my own way.

Mr. Chairman, as I was stating, this is the identical resolution that was adopted by this House at the last session when the naval bill was pending.

Mr. BEGG. Mr. Chairman, will the gentleman yield at that point?

Mr. RATHBONE. I yield.

Mr. BEGG. Did anybody make a point of order against the amendment of the gentleman from South Carolina?

Mr. RATHBONE. I believe not.

Mr. BEGG. What force, then, is there in that argument?

Mr. RATHBONE. The force is that if it was good then, it is good now.

Mr. BEGG. If nobody challenged it, how does he know whether it was good or bad?

Mr. RATHBONE. So far as this point is concerned, the point that has been raised, that it is legislation, does not offer any ground of objection at all.

The CHAIRMAN. For the information of the gentleman, the Chair will say that if the amendment is agreed to it becomes a part of the bill and becomes a part of the law. Is not that legislation?

Mr. RATHBONE. No, sir. It is not legislation in any sense of the word.

Mr. STENGLE. Is it germane?

Mr. RATHBONE. The point as to its germaneness has not been raised.

The CHAIRMAN. The Chair will hear the gentleman from Ohio on the point of order.

Mr. BEGG. Mr. Chairman, it is clearly legislation on an appropriation bill.

Mr. WINGO. Is not this the amendment that was offered to the appropriation bill last year?

Mr. BEGG. That makes no difference. The gentleman knows that that does not amount to anything.

Mr. WINGO. Yes; it does make a difference, because I want to get some information from my friend. If it is the same as the one that was put on the appropriation bill last session, that was a request upon the President, and I want to ask my friend from Illinois [Mr. RATHBONE] whether he thinks the President has forgotten about it and whether the gentleman from Illinois wants to renew the invitation or request?

Mr. RATHBONE. I have no idea the President has forgotten about it. I am offering this amendment at the present time in order that it may be known to all the world that the Congress of the United States stands now where it stood at the last session. This is offered in good faith.

Mr. WINGO. I challenge that statement. The Republican papers, especially the chief organ of this administration, announced the day this Congress convened that the Congress which was repudiated in November reconvenes in December, so we evidently do not stand where we did at the last session.

Mr. RATHBONE. I am going to state my position.

Mr. WINGO. Of course, George Harvey should certainly be an authority for my Republican friend.

Mr. RATHBONE. Mr. Chairman, I decline to yield any further until I have had a reasonable opportunity to state my position before this House.

Mr. STENGLE. Mr. Chairman, a point of order. Is the gentleman discussing the point of order or the issue before the House?

The CHAIRMAN. The Chair did not hear the point of order made by the gentleman from New York.

Mr. STENGLE. I say, the gentleman from Illinois is not discussing the point of order at all, but, rather, the subject which is contained in his amendment.

Mr. WINGO. Mr. Chairman, I make a point of order against the point of order, that it is a point in the third degree.

Mr. RATHBONE. Mr. Chairman, I am ready to have the Chair rule on the amendment.

The CHAIRMAN. It seems clear to the Chair that the amendment is legislation. It is in no sense a proper part of an appropriation bill; it in no way limits any appropriation that has been proposed or retrenches expenditures, and it can not be anything but substantive law. So far as the effect of the language may be concerned, whether it is in the nature of a direction to or a request of the Chief Executive, those are issues with which the Chair is not concerned in the determination of the point of order.

Mr. RATHBONE. If the Chair pleases, so far as it being a matter of substantive law is concerned, I submit that can not be the case. Law has been well defined to be a rule of action. This does not require any action whatever; it is a mere invitation or request. [Laughter.] I repeat it. It does not require any action whatever; it is not compulsory; it is a mere polite request, and it is an indication by this Congress that we stand in favor of retrenchment; that we wish to carry out and intend to carry out, as far as possible, the work of the Washington conference, which was a step in the right direction. I am in favor of this bill; I intend to vote for it, and I think this amendment constitutes a proper amendment to the bill. It is a supplement to it and the bill is not complete without it. The bill is likely to be misunderstood elsewhere if we do not have this amendment. Why should gentlemen object to this amendment in the interest of peace? [Applause.]

The CHAIRMAN. The Chair regrets he can not agree with his colleague from Illinois, and sustains the point of order.

Mr. McKEOWN. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The gentleman from Oklahoma offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. McKEOWN: Page 48, line 18, after the word "Navy" strike out "together with the sum of \$6,944,000."

Mr. FRENCH. Mr. Chairman, essentially that is for the building program and for the purpose of carrying on the work on the two airship carriers and the work on the submarines, one of them authorized last year and begun, the other two to be laid down, provided this bill shall go through.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Oklahoma.

The amendment was rejected.

The Clerk read as follows:

No part of any appropriation made for the Navy shall be expended for any of the purposes herein provided for on account of the Navy Department in the District of Columbia, including personal services of civilians and of enlisted men of the Navy, except as herein expressly authorized: *Provided*, That there may be detailed to the Bureau of Navigation not to exceed at any one time 24 enlisted men of the Navy: *Provided further*, That enlisted men detailed to the Naval Dispensary and the Radio Communication Service shall not be regarded as detailed to the Navy Department in the District of Columbia.

Mr. RATHBONE. Mr. Chairman, I move to strike out the last word. I desire to have my position clearly understood and not misunderstood by this House. No one goes further than I do in respect for the executive head of this Nation. I would not willfully do anything to embarrass him under any circumstances. I have read carefully his expression as referred to by the gentleman from Ohio and I see absolutely nothing in the amendment that has just been offered here which could in any way embarrass him. There is no compulsion about it; there is no thought or suggestion of restraint about it. It is in line with what we have done in the Borah amendment, in the Byrnes amendment, and on other occasions. The President of the United States has signified a willingness, if I interpret his language aright, to call another conference for the limitation of armaments, but he hesitates, perhaps, for two reasons. If you will study his language closely, first of all he does not want this country to become entangled with the League of Nations. That can all be avoided. Any conference called by him can stand absolutely upon its own footing and it does not need to be in any way involved with the League of Nations.

It can be an independent move of this country just as the Washington Conference on the Limitation of Armament was.

Mr. BLACK of New York. Will the gentleman yield?

Mr. RATHBONE. I yield to the gentleman from New York.

Mr. BLACK of New York. Does not the gentleman think he would be more in order if he offered a resolution calling upon the President to ask the Secretary of State why he stopped short in the disarmament conference and why he stopped when he cut down our fleet and did not cut down the others?

Mr. RATHBONE. I will say to the gentleman that I have heard the Washington conference and its results belittled upon this floor, and I make bold to say it was one of the greatest achievements known to man. For thousands of years humanity had dreamed of being able to limit armament and to stop the mad race of competitive armaments, which was piling up the burden of taxation upon the shoulders of the overtaxed people of the world.

Mr. BLACK of New York. Will the gentleman yield?

Mr. RATHBONE. I decline to yield until I have concluded my remarks, and then I will yield to the gentleman or to anyone else.

For the first time in the history of the human race men were able to gather about the council table and to stop this feverish competition in armaments, to reduce taxation, to insure the peace of the world, and what has the Washington conference accomplished? It has achieved many acts of justice. Japan has returned Shantung, the question of Siberia has been settled. We have obtained recognition, after over 20 years of vain insistence, of our doctrine of the open door in China. We have brought about the scrapping of the Anglo-Japanese alliance. We have brought the reign of peace to this hemisphere and to the Orient. The Washington conference was a step in the right direction. It ought to be followed up, at the proper time, in the discretion of the President, by another step in the same direction, and that is all that this amendment offers. Let me reiterate—

Mr. BLACK of New York. Will the gentleman yield?

Mr. STEVENSON. Will the gentleman yield to me?

Mr. RATHBONE. Just as soon as I have concluded I will gladly yield, if I may have a little more time.

In the first place, the President of the United States could not be embarrassed, because this leaves entirely in his hands, according to his best judgment, when to call this conference or whether to call it or not. How could he be embarrassed under those circumstances?

I yield now to the gentleman from New York, who, I think, was on his feet first.

Mr. BLACK of New York. I was just wondering if the gentleman realizes that, although the Washington conference is supposed to have stopped this mad race of armament, to-

day, at this very minute, we are appropriating money to build a larger Navy, and Japan is doing the same thing, and Great Britain is doing the same thing. Would this have happened if they had completely reduced armament at the time of the Washington conference?

Mr. RATHBONE. The Washington conference has been eminently successful in doing what it set out to do. It was limited in its object, which was the reduction of armament in capital ships.

Mr. BLACK of New York. Will the gentleman yield?

Mr. RATHBONE. Not for the moment, until I have completed my statement.

No one can say but what it has wholly accomplished that purpose. It has saved millions of dollars to the taxpayers and has insured peace.

Mr. BLACK of New York. Will the gentleman yield now? Has the gentleman read the minutes of the disarmament conference?

Mr. RATHBONE. I have read part of the minutes and I have read much about it.

Mr. BLACK of New York. Does the gentleman realize that our Secretary of State offered a plan to that conference whereby they would reduce all the way down the line, and that when he had reduced our strength he stopped short. His plan was for a general disarmament and was not a reduction of capital tonnage alone.

Mr. RATHBONE. I will answer the gentleman by saying that the gentleman is in error about that.

Mr. STEVENSON. I would like to ask the gentleman how many authorities and how many requests it will be necessary to propound to the President in order to get him to call such a conference? We passed this same thing last year, and it is in effect now, as the gentleman stated. If the President thinks it is judicious, does not the gentleman think the President has the authority from this same Congress in this same language to call such a conference, and how many times does the gentleman think we will have to repeat it in order to get the President to call it? A similar amendment was passed last May.

Mr. RATHBONE. I will answer the gentleman. In my judgment the President does not need any suggestion whatever from us, but it is well that we, the House of Representatives, should continue on record, in spite of the jingo talk we have heard, in spite of the things that have been said upon the floor of this House, as in favor of any and every reasonable step that can be taken to insure the peace of the world. Let us clarify the situation. Let us make known our attitude to all the world, so that there can be no mistake about where the House of Representatives stands; that while we stand for an adequate defense, while we stand for this bill as upholding the strength of the American Navy, yet we stand for something more than that, and that is the peace of the world and the cooperation and friendship of nations.

Mr. WATKINS. Will the gentleman yield for a question?

Mr. RATHBONE. I yield to the gentleman from Oregon.

Mr. WATKINS. If what the gentleman from New York has just said is true, and I do not want to question the gentleman's veracity, then there is more reason for the calling of a conference than if what he said was not true.

Mr. BLACK of New York. That is true.

Mr. RATHBONE. I do not think I get the point of the gentleman.

Mr. WATKINS. If we had a conference and they are not going by it, there is more need for the gentleman's resolution at this time and we ought to keep on until they do call one.

Mr. FRENCH. Mr. Chairman, that there may be no misapprehension as to the attitude of the great President of the United States and the policy of the administration touching the disarmament conference, I am going to ask that the Clerk read at the desk the words of the President to this Congress within the month on the subject of a disarmament conference.

The CHAIRMAN. Without objection the Clerk will read, in the time of the gentleman from Idaho.

There was no objection.

The Clerk read as follows:

DISARMAMENT CONFERENCE

Many times I have expressed my desire to see the work of the Washington Conference on Limitation of Armament appropriately supplemented by further agreements for a further reduction and for the purpose of diminishing the menace and waste of the competition in preparing instruments of international war. It has been and is my expectation that we might hopefully approach other great powers for further conference on this subject as soon as the carrying out of the present reparation plan as the established and settled

policy of Europe has created a favorable opportunity. But on account of proposals which have already been made by other governments for a European conference, it will be necessary to wait to see what the outcome of their actions may be. I should not wish to propose or have representatives attend a conference which would contemplate commitments opposed to the freedom of action we desire to maintain unimpaired with respect to our purely domestic policies.

Mr. BYRNES of South Carolina. Mr. Chairman, I move to strike out the last three words. Mr. Chairman, as the author of the amendment to the last naval appropriation bill which passed Congress in May, I simply want to say that I have not changed my views as to the wisdom or necessity of a further conference. I have not offered the amendment at this time solely because I believe this Congress has gone on record stating its views. I said two days ago in general debate and repeat that I am in great doubt as to what the President meant by the language which has just been read at the desk.

Shortly after the Congress passed the last naval appropriation bill with the request that he invite the naval powers of the world to a further conference for the limitation of armament, the press carried the statement that just as soon as the Dawes reparation question was settled and the program agreed to by the European governments, an invitation would probably be extended for the purpose of further limiting naval armament.

Though the Dawes reparation program has been adopted by the various Governments, the President now says he does not deem it wise to invite the nations to a further conference until some action has been taken upon the proposal made to hold a conference in Europe because he does not want to have representatives attend a conference which would contemplate commitments opposed to the freedom of action we desire to maintain as to domestic policies.

Exactly what he means I do not know. I must say that the maintenance of a navy is a domestic question, and in the interest of world peace we sacrificed our freedom of action and limited battleships at the Washington conference. I am not encouraged by that statement. I fear that the President may not send representatives to Geneva. I hope sincerely that he will, because I know that this naval bill carries \$290,000,000, and, as I said two days ago, within the next 30 days the Congress will be called upon to appropriate an additional \$25,000,000 to complete the two aircraft carriers and construct the airplanes to go on those carriers. In addition the Navy Department has asked the Budget Bureau for \$55,000,000 to begin the program of construction authorized in the so-called modernization act. If the Budget Bureau approves it, if the President adopts it and sends these estimates to Congress, it will add \$80,000,000 to the naval bill for this year, making \$370,000,000. And from this year on it is certain that in the absence of an agreement further limiting armaments the naval budget of the United States is going to amount to \$350,000,000 or \$375,000,000, annually.

I know that it is for the best interests of the taxpayers of the United States that the President should send a representative of this Government to Geneva to attend the disarmament conference that is to be held there, even if it is held under the auspices of the League of Nations. We have been sending representatives to one or two other conferences suggested by that organization, and certainly we should send representatives to this conference which holds more hope for the peace of the world and for the relief of the taxpayers of America than any other proposal now pending before the people of the world. [Applause.]

Mr. RATHBONE. Will the gentleman yield for a question?

Mr. BYRNES of South Carolina. Yes.

Mr. RATHBONE. Is not it a fact that it has appeared in the foreign press and the press of this country since the delivery of the President's message on December 3, 1924, that the prospects of such a conference referred to in his message are much less than they were; that the change in the British Government, the reversal of policy, apparently, of some leading nations over there, have wrought a change since this expression by the President which may make it inadvisable, in his best judgment, to make this move? Is not that true?

Mr. BYRNES of South Carolina. I know from the debates in the House of Commons that the government which was recently defeated was enthusiastically in favor of such a conference, but that is true of the government now in control. But I think the gentleman is exactly correct and that representatives of other governments who realize that the success of such a conference is dependent upon our willingness to participate will be impressed as I have been impressed by the statement of the President. I am satisfied that in his heart he is as earnestly in favor of furthering the limitation of

armament as I am. But I do not want him to be frightened away from carrying into execution what he really desires because this disarmament conference may happen to be called under the auspices of the League of Nations.

The CHAIRMAN. The time of the gentleman from South Carolina has expired.

Mr. RATHBONE. Mr. Chairman, I ask unanimous consent that the gentleman from South Carolina be granted one more minute.

The CHAIRMAN. Is there objection?

Mr. BEGG. Mr. Chairman, I object.

The CHAIRMAN. The Clerk will read.

The Clerk concluded the reading of the bill.

Mr. FRENCH. Mr. Chairman, I move that the committee do now rise and report the bill with the several amendments back to the House with the recommendation that the amendments be agreed to and the bill as amended do pass.

The motion was agreed to.

Accordingly the committee rose; and the Speaker having resumed the chair, Mr. CHINDBLOM, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee had had under consideration the bill (H. R. 10724) making appropriations for the Navy Department and the naval service for the fiscal year ending June 30, 1926, and for other purposes, and had directed him to report the same back to the House with sundry amendments with the recommendation that the amendments be agreed to and that the bill as amended do pass.

Mr. FRENCH. Mr. Speaker, I move the previous question on the bill and all amendments to final passage.

The previous question was ordered.

The SPEAKER. Is a separate vote demanded upon any amendment?

Mr. FRENCH. I demand a separate vote upon the Sears amendment, which occurred on page 39, following line 5.

The SPEAKER. Is a separate vote demanded on any other amendment? If not, the Chair will put the other amendments en gross. The question is on agreeing to the other amendments.

The other amendments were agreed to.

The SPEAKER. The Clerk will report the amendment on which a separate vote is demanded.

The Clerk read as follows:

Page 39, after line 5, insert a new paragraph, as follows:
"Submarine base, Key West, \$100,000."

The SPEAKER. The question is on agreeing to the amendment.

The question was taken; and on a division (demanded by Mr. SEARS of Florida) there were—ayes 48, noes 49.

Mr. SEARS of Florida. Mr. Speaker, I challenge the vote upon the ground that there is no quorum present, and I make the point of order that there is no quorum present.

The SPEAKER. The gentleman from Florida makes the point of order that there is no quorum present. It is clear that there is not. The Doorkeeper will close the doors, the Sergeant at Arms will bring in absent Members, and the Clerk will call the roll. The question is on agreeing to the Sears amendment.

The question was taken; and there were—yeas 110, nays 122, answered "present" 1, not voting 198, as follows:

[Roll No. 13]

YEAS—110

Abernethy	Cullen	Kincheloe	Reed, Ark.
Allen	Davis, Tenn.	King	Romjue
Allgood	Deal	Lanham	Rubey
Almon	Dickinson, Mo.	Lankford	Sanders, Tex.
Arnold	Drewry	Lazaro	Sandlin
Aswell	Favrot	Lowrey	Sears, Fla.
Bankhead	Fisher	McClintic	Sites
Barkley	Fulmer	McDuffie	Stedman
Bell	Gambrill	McKeown	Stengle
Black, N. Y.	Gardner, Ind.	McReynolds	Stevenson
Black, Tex.	Garnier, Tex.	McSwain	Swank
Bland	Gasque	Major, Mo.	Taylor, Tenn.
Blanton	Gibson	Mansfield	Taylor, W. Va.
Bowling	Gilbert	Martin	Thomas, Okla.
Box	Greenwood	Minahan	Tillman
Boyce	Hammer	Moore, Ga.	Tucker
Briggs	Hawes	Moore, Va.	Underwood
Busby	Hayden	Morehead	Upshaw
Cannon	Hill, Ala.	O'Connell, R. I.	Vinson, Ky.
Casey	Hill, Wash.	O'Connor, La.	Watkins
Clark, Fla.	Huddleston	Oldfield	Weaver
Cleary	Hudspeth	Park, Ga.	Williams, Tex.
Collier	Hull, Tenn.	Quinn	Wilson, Ind.
Collins	Humphreys	Ragon	Wilson, La.
Connery	Jeffers	Rainey	Wingo
Cook	Johnson, Tex.	Raker	Woodrum
Crisp	Jones	Rankin	
Croll	Kerr	Rayburn	

NAYS—122

Ackerman	Dowell	Leatherwood	Robison, Ky.
Andrew	Edmonds	Leavitt	Sanders, Ind.
Bacharach	Elliot	Lehlbach	Schafer
Bacon	Evans, Iowa	Longworth	Scott
Barbour	Faust	Lozier	Shreve
Beedy	Fish	McFadden	Sinclair
Begg	Fleetwood	McLaughlin, Mich.	Speaks
Boles	Frear	McLaughlin, Nebr.	Sproul, Ill.
Britten	Free	McSweeney	Stalker
Brumm	French	MacGregor	Stephens
Buchanan	Frothingham	MacLafferty	Strong, Kans.
Burdick	Fuller	Magee, N. Y.	Strong, Pa.
Burness	Griest	Major, Ill.	Summers, Wash.
Burton	Guyer	Manlove	Swing
Butler	Hadley	Mapes	Taber
Byrnes, S. C.	Hardy	Michener	Temple
Cable	Hersey	Miller, Wash.	Thatcher
Chindblom	Hill, Md.	Moore, Ind.	Thompson
Christopherson	Hoch	Morgan	Vaile
Clague	Hudson	Newton, Minn.	Vincent, Mich.
Clarke, N. Y.	Hull, Iowa	Newton, Mo.	Voigt
Cole, Iowa	Hull, M. D.	Oliver, Ala.	Walwright
Cole, Ohio	Hull, W. E.	Patterson	Wason
Colton	Jacobstein	Purnell	Watres
Connolly, Pa.	Johnson, Wash.	Ramseyer	White, Kans.
Cooper, Wis.	Ketcham	Ransley	Williams, Mich.
Cramton	Kopp	Rathbone	Williamson
Curry	Kurtz	Reece	Winter
Darrow	Kvale	Reid, Ill.	Wurzbach
Denison	Lampert	Roach	
Dickinson, Iowa	Leach	Robinson, Iowa	

ANSWERED "PRESENT"—1

Timberlake

NOT VOTING—198

Aldrich	Fulbright	McKenzie	Schneider
Anderson	Funk	McLeod	Sears, Nebr.
Anthony	Gallivan	McNulty	Seger
Ayres	Garber	Madden	Shallenberger
Beck	Garrett, Tenn.	Magee, Pa.	Sherwood
Beers	Garrett, Tex.	Mead	Simmons
Berger	Geran	Merritt	Sinnott
Bixler	Gifford	Michaelson	Smith
Bloom	Glatfelter	Miller, Ill.	Smithwick
Boylan	Goldsborough	Milligan	Snell
Brand, Ga.	Graham	Mills	Snyder
Brand, Ohio	Green	Montague	Spearing
Browne, N. J.	Griffin	Mooney	Sproul, Kans.
Browne, Wis.	Hall	Moore, Ill.	Steagall
Browning	Harrison	Moore, Ohio	Sullivan
Buckley	Hastings	Morin	Sumners, Tex.
Bulwinkle	Haugen	Morris	Sweet
Byrns, Tenn.	Hawley	Morrow	Swoope
Campbell	Hickey	Murphy	Tague
Candfield	Holaday	Nelson, Me.	Taylor, Colo.
Carew	Hooker	Nelson, Wis.	Thomas, Ky.
Carter	Howard, Nebr.	Nolan	Tilson
Celler	Howard, Okla.	O'Brien	Tincher
Clancy	James	O'Connell, N. Y.	Tinkham
Connally, Tex.	Johnson, Ky.	O'Connor, N. Y.	Treadway
Cooper, Ohio	Johnson, S. Dak.	O'Sullivan	Tydings
Corning	Johnson, W. Va.	Oliver, N. Y.	Underhill
Crosser	Jost	Palge	Vare
Crowther	Kearns	Parker	Vestal
Cummings	Keller	Parks, Ark.	Vinson, Ga.
Dallinger	Kelly	Peavey	Ward, N. C.
Davey	Kendall	Peery	Ward, N. Y.
Davis, Minn.	Kent	Perkins	Watson
Dempsey	Kiess	Perlman	Wefald
Dickstein	Kindred	Phillips	Weller
Dominick	Knutson	Porter	Welsh
Doughton	Kunz	Pou	Wertz
Doyle	LaGuardia	Prall	White, Me.
Drane	Langley	Quayle	Williams, Ill.
Driver	Larsen, Ga.	Reed, N. Y.	Wilson, Miss.
Dyer	Larson, Minn.	Reed, W. Va.	Winslow
Eagan	Lea, Calif.	Richards	Wolf
Evans, Mont.	Lee, Ga.	Rogers, Mass.	Wood
Fairchild	Lilly	Rogers, N. H.	Woodruff
Fairfield	Lindsay	Rosenbloom	Wright
Fenn	Lineberger	Rouse	Wyant
Fitzgerald	Linthicum	Sabbath	Yates
Foster	Logan	Salmon	Zihlman
Fredericks	Luce	Sanders, N. Y.	
Freeman	Lyon	Schall	

So the amendment was rejected.

The Clerk announced the following pairs:

On the vote:

Mr. Timberlake (for) with Mr. Sinnott (against).
 Mr. O'Sullivan (for) with Mr. Fenn (against).
 Mr. Kindred (for) with Mr. Gifford (against).
 Mr. Drane (for) with Mr. McLeod (against).
 Mr. Smithwick (for) with Mr. Sweet (against).
 Mr. Carew (for) with Mr. Bixler (against).
 Mr. O'Connell of New York (for) with Mr. Wertz (against).
 Mr. Quayle (for) with Mr. Swoope (against).
 Mr. Sullivan (for) with Mr. Snell (against).
 Mr. Weller (for) with Mr. Davis of Minnesota (against).
 Mr. Bloom (for) with Mr. Beers (against).

General pairs:

Mr. Vare with Mr. Montague.
 Mr. Snyder with Mr. Vinson of Georgia.
 Mr. Morin with Mr. Byrns of Tennessee.
 Mr. Porter with Mr. Ayres.
 Mr. Reed of New York with Mr. Linthicum.
 Mr. Watson with Mr. Peery.
 Mr. Williams of Illinois with Mr. Ward of North Carolina.
 Mr. Seger with Mr. Carter.
 Mr. Garber with Mr. Hastings.

Mr. Johnson of South Dakota with Mr. Buckley.
 Mr. Cooper of Ohio with Mr. Eagan.
 Mr. Fairchild with Mr. Garrett of Tennessee.
 Mr. Lineberger with Mr. Clancy.
 Mr. Madden with Mr. Dominick.
 Mr. Tilson with Mr. Morrow.
 Mr. Phillips with Mr. Prall.
 Mr. Tinkham with Mr. Wright.
 Mr. Winslow with Mr. Bulwinkle.
 Mr. Simmons with Mr. Crosser.
 Mr. Treadway with Mr. Boylan.
 Mr. Dempsey with Mr. Fulbright.
 Mr. Luce with Mr. Howard of Nebraska.
 Mr. Merritt with Mr. Jost.
 Mr. Fredericks with Mr. Cummings.
 Mr. Michaelson with Mr. Browning.
 Mr. Foster with Mr. Milligan.
 Mr. Mills with Mr. Steagall.
 Mr. Kiess with Mr. Tydings.
 Mr. Dallinger with Mr. Mead.
 Mr. Crowther with Mr. Wilson of Mississippi.
 Mr. Kendall with Mr. Oliver of New York.
 Mr. Anthony with Mr. Rogers of New Hampshire.
 Mr. Moore of Ohio with Mr. Shallenberger.
 Mr. Aldrich with Mr. Connally of Texas.
 Mr. Nelson of Maine with Mr. Davey.
 Mr. Perkins with Mr. Johnson of Kentucky.
 Mr. Vestal with Mr. Lindsay.
 Mr. Murphy with Mr. Geran.
 Mr. Rogers of Massachusetts with Mr. Gallivan.
 Mr. Sears of Nebraska with Mr. Canfield.
 Mr. Hawley with Mr. Sherwood.
 Mr. Graham with Mr. Logan.
 Mr. Anderson with Mr. Spearing.
 Mr. Brand of Ohio with Mr. Lyon.
 Mr. James with Mr. Thomas of Kentucky.
 Mr. Green with Mr. O'Connor of New York.
 Mr. Browne of Wisconsin with Mr. Taylor of Colorado.
 Mr. Campbell with Mr. Mooney.
 Mr. Kearns with Mr. Pou.
 Mr. LaGuardia with Mr. Salmon.
 Mr. Dyer with Mr. Morris.
 Mr. McKenzie with Mr. O'Brien.
 Mr. Magee of Pennsylvania with Mr. Parks of Arkansas.
 Mr. Funk with Mr. Sabbath.
 Mr. Freeman with Mr. Richards.
 Mr. Perlman with Mr. Corning.
 Mr. Tincher with Mr. Driver.
 Mr. Moore of Illinois with Mr. Lea of California.
 Mr. Sanders of New York with Mr. Doughton.
 Mr. Wood with Mr. Lilly.
 Mr. Parker with Mr. Dickstein.
 Mr. Wyant with Mr. Kunz.
 Mr. Sproul of Kansas with Mr. Lee of Georgia.
 Mr. Woodruff with Mr. Hooker.
 Mr. Fairfield with Mr. Celler.
 Mr. Larson of Minnesota with Mr. Browne of New Jersey.
 Mr. Haugen with Mr. Doyle.
 Mr. Fitzgerald with Mr. Glatfelter.
 Mr. Kelly with Mr. Evans of Montana.
 Mr. Holaday with Mr. Brand of Georgia.
 Mr. Underhill with Mr. Garrett of Texas.
 Mrs. Nolan with Mr. Griffin.
 Mr. Welsh with Mr. Harrison.
 Mr. White of Maine with Mr. Larsen of Georgia.
 Mr. Smith with Mr. Johnson of West Virginia.
 Mr. Yates with Mr. Howard of Oklahoma.
 Mr. Zihlman with Mr. Sumners of Texas.
 Mr. Ward of New York with Mr. Tague.
 Mr. Reed of West Virginia with Mr. McNulty.
 Mr. Hall with Mr. Wefald.
 Mr. Keller with Mr. Wolff.
 Mr. Miller of Illinois with Mr. Berger.
 Mr. Paige with Mr. Kent.

The result of the vote was announced as above recorded.

The SPEAKER. A quorum is present; the Doorkeeper will open the doors. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read the third time, and was read the third time.

The SPEAKER. The question is on the passage of the bill. The question was taken, and the Speaker announced the ayes seemed to have it.

Mr. BLANTON. Mr. Speaker, I ask for a division.

The House divided; and there were—ayes 156, noes 17.

So the bill was passed.

On motion of Mr. FRENCH, a motion to reconsider the vote by which the bill was passed was laid on the table.

BRIEF HISTORICAL DEVELOPMENT OF THE PRESENT RAILROAD SITUATION

Mr. HAWES. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD on the subject of the historical development of railroad legislation, my own production.

The SPEAKER. Is there objection? [After a pause.] The Chair hears none.

Mr. HAWES. Mr. Speaker, there are now 10,900 bills before this House and 3,700 in the Senate. It is both a physical and mental impossibility to give each thorough consideration.

The Interstate and Foreign Commerce Committee, of which I am a member, has before it many bills which relate to the control, regulation, and direction of railroads.

For my individual information I have attempted to arrive at some understanding of the past history of railroads and legislation affecting them and to bring this subject down to date in condensed form, not for the benefit of experts or with the thought that it will influence those persons who have given study to the subject but rather that the average Member or the private citizen, in considering changes in our present law, may have before him a brief historical statement of the development of this subject.

I doubt if the public is fully aware of the enormity of the task presented by the simplest bill relating to the operation, management, or control of railroads.

No part of this subject can be considered except in its relation to the whole. It is necessary to understand the magnitude of the subject and how it is all related one part with another.

We can not confiscate without payment. We must not merely destroy. Therefore the first essential in the consideration of any change in existing law is a knowledge of all the facts relating to the problem.

In the affairs of life we are guided by experience, and experience is largely a matter of history. It is the knowledge of what has gone before or of things that have occurred to the individual or the Nation which must be considered in any contemplated change.

A doctor studies the past history of his patient; a lawyer assembles his facts before he looks for the law; a man purchasing a business first reviews its past conduct and possibilities. Therefore in proposing changes in railroad law, a knowledge of what has gone before is necessary.

Transportation of all kinds will ultimately become a related subject because the connection between water, rail, and highway is daily forming closer contact, and soon we may have the addition of practical air transportation.

FIRST RAILROAD

What is now the Baltimore & Ohio Railroad obtained its charter in 1827, and the ground was broken on July 4, 1828, by Charles Carroll, the then only surviving signer of the American Declaration of Independence. It is recorded that on opening the ceremony this venerable patriot said:

I consider this among the most important acts of my life, second only to that of signing the Declaration of Independence, even if second to that.

Professor Hadley, writing in 1885, stated:

One man's life formed the connecting link between the political revolution of the last century and the industrial revolution of the present. That was but 96 years ago.

In 1830 the Baltimore road had only 13 miles of track in operation; in 1831, the Mohawk 17 miles. In 1852 the famous "Old Ironsides" was placed in operation, having no brakes, brought to a stop by reversing the engine, weighing 7 tons, and costing finally \$3,500.

Baldwin, founder of the vast engine works that now bears his name, started in 1832. He had been a watchmaker by trade. The cars that followed his first engine were the old Concord stages with their wheels adapted to rails.

Five years later, or about 1835, the infant railroads were stretching themselves in all directions. Albany and Utica were connected by rail. Two hundred miles of the present Pennsylvania system had been laid in Pennsylvania, the Columbia section having been built by the State, and Philadelphia was connected with the Ohio River at Pittsburgh. The Reading road opened later. Three lines were sent out from Boston. Providence, Lowell, and other manufacturing centers were connected up.

The State was reluctant to aid, but private capital went into the expansion.

From 23 miles of road in 1830 there was an increase to 2,818 miles in 1840. By 1850 there were 9,021 miles of railroad in the United States. The great industrial centers of the East were connected with each other and with the sea. Small progress had been made in the South.

TWENTY-FIVE YEARS LATER

Twenty-five years from the date of the first railroad brings us into a 10-year period of railroad building in the United States, perhaps the most important years of our growth.

From 1850 to 1860 the road mileage increased from 9,000 to 30,600 miles. In 1855 the Baltimore road had 139 engines, 2,567 freight cars, and 96 passenger cars.

Westward and southward the lines pushed on. By rail and canal, with a few interruptions of changing cars, the East was connected with the West, first from New York to Philadelphia,

then to Parkersburg, then to Cincinnati, thence to St. Louis. Two rivers were ferried and passengers changed cars five times. But the East and the West had begun to annihilate distance.

All this was not accomplished without struggle. Private capital was available, but the early days were marked by heated contests between the pioneer railroad builders—visionary they were called at times—and the State.

In Pennsylvania State aid was obtained only after the most contentious deliberations. Early appeals for land grants and stock subscriptions were not met with a ready response. The cost of construction of the roads was six times the early estimates, each mile ranging in the neighborhood of \$44,000. Predictions of returns on investment were scoffed at. In this State a board of commissioners finally saw the possibilities of the steam road and, after insisting against what looked to be great odds, in 1841 officially recognized the steam locomotive.

In New York public sentiment was against State aid in road building. "Visionary" pioneers, however, began to survey on a limited capital, estimates were made on investments and returns, and again, after a bitter struggle, New York gave the credit of the State not to exceed \$3,000,000 for the construction of roads. In 1839 a legislature of New York asked for the surrender of the charter of the largest railroad and its property as well. The bill lost by only one vote.

In 1850, however, it was seen that railroads were both necessary and practical. Canal building stopped and attention was turned to public assistance for the roads.

Favorable factors were the increase of money and the boom that resulted from the discovery of gold in California. Settlers started west and populated new States. Great cities were springing up, and in the South cotton cultivation and production grew enormously.

In 1850 the first land grant was made to the Illinois Central system, and thereafter many followed. Both State and Nation contributed to the new development in money and in lands. The Pennsylvania State owned and controlled roads passed into private ownership or leasehold and all roads were now privately owned and controlled.

Extending into undeveloped territory and gambling upon the success of future development and expansion, private capital could not proceed alone and was given State aid in land grants and money, many States contributing liberally for their development that they might be placed in better competition with those sister States which were far ahead in transportation development.

It must be stated in passing that the manner of granting this money and the methods of its use are not matters of pride in the history of railroad building.

Money was wasted. State debts were repudiated. The attempt to keep track of finances in what we now know as an accurate accounting system was futile, or deliberately muddled. Banks as well as the State suffered from a very loose condition, and the outcome was that State aid stopped.

Sharfman, in the American Railroad Problem, states that—the community manifested so marked an eagerness to secure railroad transportation that the States' attitude toward carriers was one of liberality and encouragement.

Cunningham, in American Railroads, says:

Speculative building, with many cases of financial maladministration, unfair discrimination in rates and service, and ruinous competition caused a reversal of public opinion. Open antagonism took the place of friendly cooperation. There was intense resentment against abuse of power exercised by railroad executives and bitter criticism of rates which were regarded as excessively high. * * * The spirit of antagonism * * * crystallized early in the seventies in the drastic legislation known as the granger laws.

These granger laws, most of them unconstitutional, as the courts later ruled, were the means, however, by which the conditions of 1860 to 1870 were brought to a close, and were the foundation upon which later regulation was constructed.

During the period of State aid Congress was inactive, yet later gave more than 33,000,000 acres of land to induce railroad construction on the first line from the Mississippi to the Pacific.

CIVIL WAR AND ANOTHER 10 YEARS

The panic of 1857 was hardly over when the Civil War came, and railroad construction suffered a severe jolt from these two causes.

Had it not been for several consolidations during the period between 1850 and 1860 these two disasters to railroad building might have caused a greater setback. But Vanderbilt and others had united lines into great systems and the capital in-

vestment was able to withstand the shock of depression. An example of such consolidation may be noted in the fact that until Vanderbilt undertook the work of gaining control of the roads between Albany and Buffalo 10 different companies were operating between these two points.

In 1860 the railroads had made remarkable progress. It was a great step from 1840 to 1860 to find the old box cars of four wheels and 34 barrels of flour, switched by horses and pulled by a makeshift engine, replaced by sensible looking carriers. The Concord stage of 1830 on wooden rails and the four-wheel passenger coaches of three compartments each, in which the average-sized man could not stand up straight, had passed into memory.

The period of State aid antedated congressional aid. Even in the fifties Congress was slow to act on land grants. There was a constitutional question involved, leaders said, in the power of Congress to give away its lands to private enterprise.

But in 1862 the hesitancy began to disappear when appeals were made for land grants to construct a line from the Mississippi to the Pacific. There had been keen rivalry as to what route should be taken to the Pacific, but at the time of the secession Congress was in a position to act. In fact, Congress had to act for military purposes, and the East was to be connected with the Pacific via the northern route.

An Illinois grant was the model for subsequent grants. The railroads, in addition to a strip 200 feet wide for a right of way, received 6 square miles of land for each mile of track constructed. Later grants increased the acreage given, and there were certain exceptions to the model grant in subsequent grants.

Under the act of 1862 as amended the grant was 10 square miles to every mile of track laid, but owing to the character of the country through which the road was to run, undeveloped and unpopulated, the grant in fact was not much more attractive than previously made grants of 6 square miles.

The road to the Pacific was undertaken by the Union Pacific, the Kansas Pacific, and the Central Pacific Cos.

Congress granted 33,000,000 acres of land to induce construction of this road.

In all, during the 10-year period of 1861 to 1871, 23 companies were the recipients of grants, including those mentioned and also the Texas & Pacific and Southern Pacific lines.

More than 159,000,000 acres of public lands were offered in this way up to 1871, and all of it accepted, except where the roads were unable to carry out their construction. About 120,000,000 acres actually passed to the roads.

In addition to these land grants the Government loaned money in the form of bonds. This land and bond assistance constitutes a lengthy chapter in America's development.

PERIOD OF STOCK JOBBING

In 1880 there were, despite the handicaps of reconstruction and the panic of 1873, 93,267 miles of railroads in the United States. Thirty-three thousand miles had been added in the five-year period from 1867 to 1873 and only 10,000 in the years 1874, 1875, 1876, 1877, and 1878.

But from 1880 to 1890 came by far the most astounding growth of railroads in any country of the world and a growth that will probably mark the greatest achievement in transportation development in the history of the world.

In the United States in these 10 years we added 70,000 miles of railroad to the 93,267 miles of road we had in 1880, and our total at the close of 1890 was 163,597 miles.

Figures compiled by the Joint Commission on Agricultural Inquiry of the Sixty-eighth Congress (p. 319, vol. 3) show that in 1890, the culmination of our greatest decade of railroad building, there was invested in the railroads in road and equipment, in railway capital outstanding and not held by railway companies, \$7,577,000,000.

Here we begin to see the extent of our growing system. This amount in 1890 was as much as the present capital and surplus of all the National and State banks and trust companies of the entire United States, with a billion or more to spare.

What was the result? A scramble for power on the part of the roads and railroad baiting on the part of others. A new problem had grown up with the last few years of the "industry of transportation." All the great lines stretching across the continent several times and from Canada to the Gulf, employing thousands of men, providing for thousands of families, giving labor to hundreds of allied industries, manufactories, and trades, owned by private capital and battling for expansion as well as returns, contended in a dangerous competition for business.

During these years legislative clerks and pages were boastful of their passes; legislatures were bought, directly or indirectly; an army of high-salaried agents invaded many States and the National Capital.

Stock jobbers arose and figures were juggled and garbled. Rebates and discriminations to shippers and jobbers were inevitable in the scramble for supremacy in transportation. Speculative expansion attracted innocent capital looking for dividends. Stock traveled up and down the scale of market manipulations. Railroad barons grew up and others were ruined. Consolidations were effected and mergers announced. Pools ran riot and margins increased. All that the iniquities of the system could invent were recorded in one exposure after another. Reputations were ruined and careers ended.

The orgy of wasteful expenditures in a mad effort to thwart public control was destined to bring about the very thing it sought to forestall. State regulation was inevitable. It came.

STATE REACTION

All of this took place over a long period of years. It began back in the seventies, when legislatures in the Western States were beginning to discuss State rate-making powers. As Vanderblue and Burgess bring out quite clearly in *Railroads—Rates, Service, and Management*, the farmers were blaming the railroads for depressions, as were others. In Illinois, Iowa, Minnesota, Missouri, and other States, hard hit by the depression, "regulatory commissions were created largely as a result of this popular protest by the farming classes."

Many years previously in Massachusetts a commission had been created, and in New York also there was a board that lasted for a short period of time. But the Massachusetts body had no authority over the railroads. They were an investigating commission, reported on their findings, and trusted largely to acquiescence on the part of the railroads to what they thought would be public approval to put their recommendations into effect.

In the Western States, however, the commissions were given authority to act. It was a delicate operation to begin, and a more serious problem to finish. Facts were difficult to obtain, and figures were largely elastic. Courts were called upon to interpret and enjoin, and likewise to mandamus and order. The attempt at State rate making and its early success brought about the day of the pass and the legislative lobbyist, for in the last analysis the legislature was probably more plastic than the commission, and in the hands of the legislator finally rested the authority to enlarge or curtail the power of the commission.

The more radical laws in some instances were not obeyed at all by the carriers, and in others only to a degree; and then, when receiverships began to follow depression and road conditions began to get worse rather than better, despite new mileage and new areas reached, it was found that it was not so much a matter of high rates in general as it was what were called discriminatory rates in particular.

These discriminatory rates were taken up by the States with varied results. In some instances both farmers and manufacturers were pleased, and in others one of the two were satisfied, much to the distress of the other, while in other instances neither was entirely served by the new attempt at regulation.

The subject of "intra" and "inter" State rates then came to the forefront of the situation and a new era of investigation and report was ushered in.

NATIONAL CONTROL

It was evident, after careful analysis, that if regulation were to be effective at all, owing to the various classes of shippers and the more varied character of the commodity to be hauled, to say nothing of the extent of the haul, it became apparent that national regulation would have to be given serious consideration.

President Grant, in 1872, had made mention in a message to Congress of the advisability of considering methods of making uniform or fair the cost of transportation of commodities from the Central States to the sea.

But it was not until 1886 that any serious attempt was made in Congress to bring national control. The Senate received a report in which all the complaints against the railroads were exhaustively treated, and a bill was introduced looking to the question of national rate regulation. In 1887 Congress created the national commission for the purpose of regulating commerce, and this act, to a large extent, was based upon the salient provisions of the various State laws, or at least those phases of the State laws which had proved, in the opinion of Congress, effective.

The original national act looking to rate regulation was, in the light of what has transpired since that time, a mere legis-

lative makeshift, of but a few paragraphs rather loosely worded and indicative of a distrust by Congress of its own rate-making power.

The present interstate commerce act is a delicate, technical, document some 200 pages in length, including the various acts and parts of acts relating thereto.

It was not until 1896 that the Supreme Court ruled favorably on the attempt of Congress to control, and the original interstate commerce act simply created an investigating body on the theory that its reports would enforce compliance with public demand by the railroads.

The State commissions had early taken up matters in addition to rates and alleged discriminations. Among them were: (1) Safety of travel, including inspection of equipment, grade separation, automatic control, and so forth; (2) service, including car and freight service, terminals, and the like; (3) liability of the companies to shippers; (4) finances, including periodical valuations and estimated and reasonable returns; (5) construction, including the application of carriers for permission to extend their lines in some instances, and to give up nonproductive lines in others.

From the time that Congress took up the railroad-control subject until the present day all of these matters have been included in rail legislation, and to them have been added the relation between the carrier and employee.

INTERSTATE COMMERCE COMMISSION AND LABOR BOARD

The Interstate Commerce Commission is a board of 11 men, appointed by the President and confirmed by the Senate of the United States, and as constituted since its inception has enjoyed the services of technical experts and economists, men previously well trained or experienced in the operation of State commissions dealing with roads.

At the present time this board has been extended into a working organization that requires the space of an entire 11-story building in Washington. It has bureaus selected for each of the activities of the board or to carry out its various powers; certain of its operations are grouped in "divisions," and hundreds of employees carry out its functions. An extensive library of thousands of volumes has grown up under its direction and is used daily for reference by its many departments, as well as by the public and by experts.

The divisions of the board are created to handle, first, management and safety; second, rates; third, service in relation to rates; fourth, management; fifth, service as between the roads and with respect to terminals, and so forth.

Allotted to these divisions are the "bureaus," among them being safety, locomotive inspection, valuation, traffic, inquiry, finance, statistics, accounts, service, law, administration, and compensation departments.

There are still other bureaus and there are chiefs, directors, examiners, and technical experts. The arms of the commission extend into the general offices of more than 1,500 railroads and the volume of statistical data collected daily is astounding, all relating to the powers, functions, and activities of the commission.

Since the passage of the original act the interstate commerce law has been amended by Congress in nearly all its phases, each amendment looking to the extension of its powers and duties.

This great body, at first a merely inquisitorial board, now has the power to establish and enforce rates. The penalty of fine and imprisonment was established for failure to carry out the schedule of the commission, and an imprisonment feature of the penalty clause, later removed by the Elkins amendment to the commerce act, was restored by the Hepburn Act under Mr. Roosevelt.

Under the amendments of 1906 the commission's authority was also extended to express companies, sleeping-car companies, pipe-line companies, and all other companies coming under the head of transportation companies, and in this year the commission was empowered to fix maximum rates and dictate the manner in which the roads shall account to the Government for receipts and expenditures.

The acts of 1910 gave the commission authority over cable, telephone, and telegraph companies, and again enlarged its powers of rate making by making it possible for the commission to suspend proposed rate changes of the carriers until after an investigation.

In 1912 the act was amended to give the commission jurisdiction over the traffic incident to the Panama Canal, and for this purpose included all water-rail lines. In 1913 the valuation amendment was made authorizing the commission to survey and estimate the value of the railroad properties of the Nation, and since that date no great change was made except in the passage of the act of 1920 called the transportation act.

By this act the jurisdiction of the Interstate Commerce Commission with respect to State rate-making bodies was finally established. In other words, the unworkable situation of previous years in which both State and Nation were attempting to control rates over the same carriers was ended, and from 1920 the rate-making power has been definitely lodged with the Government of the United States in the commission. The State board which existed in practically every State in the Union all had wide power and still have it. They can compel the attendance of witnesses and the production of records, and do all that is necessary to inquire into both rates, management, and service. But at the present time, while there exist instances of a conflict of authority in the varied phases of the law, there is rather generally a spirit of cooperation between the States and the Nation, and a conceded right to the national commission to make and enforce rates.

WAR, THE RAILROADS, AND AFTER WAR

It is necessary to revert a few years in order to arrive at a clear understanding of the present situation.

In 1916, under Mr. Wilson, with the exigency of war and its necessities at hand, it was apparent that the transportation facilities of the Nation would, as a matter of national defense, have to be thrown together under one management and control, and Congress accordingly, in that year, gave the President the right to take over the carriers. Mr. Wilson later appointed a Director General of Railroads and put into operation Federal management of roads.

Whatever may be said of Government ownership or operation of roads by advocates of that policy, it will have to be admitted that the public, as represented by Congress, paid no attention to the merits of the Government ownership theory by this act. It was a war emergency act.

But when it began to operate we were, in fact, experimenting accidentally in Government ownership.

There are two extreme views in the matter of railroad operation: One, the theory of Government ownership; the other, private ownership without even rate or service control. Thus, in America, between 1870 and 1917, we passed, in fact, however accidentally, from one extreme to the other.

It is true that separate contracts were made with each road taken over, but when competition was eliminated and all roads placed upon an equal basis, Government ownership, to a large extent, was in operation.

There were handicaps, it is true, to the Federal management. Labor was in bad shape numerically and otherwise, and equipment of the roads was run down, and all materials and labor that might have been used in the physical upbuilding of the carriers were needed for the emergencies of war.

So practically the United States operated the roads on the strictly military basis of "As you were," and put into effect such rules and regulations as would systematize transportation and control of it, without going into the physical ability of the roads to bear the burden.

We now come to an interesting chapter in railroading. Previous to 1916 road after road had gone into the hands of receivers. Railroad credit was at a low ebb. Since 1893, when 74 roads, with 29,340 miles of tracks and a bonded and stock indebtedness of \$1,780,000,000, went into the hands of receivers, 356 roads had followed, carrying with them into the courts nearly a hundred thousand miles of rails and billions in stocks and bonds.

Naturally, when the Government took over the railroads, they were in a "run-down" condition. Equipment was in need of repair and replacement; tracks were in the same condition; and, more serious than all else, credit was gone.

Then came the new conditions of war. Labor required more pay, living conditions had changed, and freight and passenger rates had to be "boosted" to meet the demands both of natural extra costs of operation and the new cost of expediting the transportation of armies and munitions.

So the United States, confronted with its problem, was hardly able to do more than to meet each condition as it arose. Wages increased, as did freight and passenger rates.

But there was little time left for reconstruction of the roads or the repairing of credit.

And when this condition dawned upon the Federal Government the war ended and the roads had to be returned to their owners.

Demands were made for an extension of Federal control, but Mr. Wilson was not in favor of it. It was generally conceded that the American public had not approved Government management as a step to Government ownership. The roads had been taken over in the emergency of war, and that emergency having passed they were in justice to be restored.

Mr. Wilson named the date for their restoration to private ownership. The roads could not be returned as one would return a chattel. Property could not be confiscated. Transportation could not be set adrift on its own resources. The problems of reconstruction would strike the railroads hardest. The wage problem had to be dealt with and railroad credit re-established.

To do this in proper manner was the motivating principle back of what turned out to be the transportation act of 1920, the last great amendment to the interstate commerce act.

Be it said to the credit of Congress, as a whole the transportation act was a credit to its capacity, earnestness, and zeal, whatever shortcomings may be found in the act itself. It demonstrated at least a constructive effort to deal with a difficult problem in a limited time.

The two great features of the transportation act will probably be set down as (1) a pledge of Government temporary assistance to the roads to preclude the possibility of a panic and to restore credit to the carriers; (2) the setting up of machinery under which the Interstate Commerce Commission might not only fix maximum rates but might fix minimum rates as well, and for this reason might take control over the causes operating to certain ends with respect to returns on investment. To carry out the theory that the Government should inquire into matters relating to returns of the roads on investments, the Labor Board was created in the hope or on the theory that labor disputes might find settlement through its operation and thus insure continuity of service and proper wage scales.

It was provided, in connection with the first purpose of the transportation act, as well as the second, that the Interstate Commerce Commission in establishing rates should try to fix rates which would, so far as possible, yield a fair rate of return upon the aggregate value of railroad property devoted to public use in each of any rate districts established by the commission.

Essentially the things mentioned were the real objects of the transportation act under which the roads are operating to-day.

It was provided that for two years the roads should receive 5½ per cent return on the aggregate value of property actually used in transportation in such districts. One-half of 1 per cent might be added for improvements. So that 6 per cent was recognized as a fair return. At the expiration of the two-year period of Federal aid to the roads the commission established slightly less than 6 per cent as a return in an attempt to follow this provision in the act.

In handing back the roads it was also provided that the Federal Government would continue its financial aid for a certain period and that the roads in this accounting should reimburse the Government for improvements made during the term of Federal control.

The "recapture" clause of section 15a of the transportation act is not generally understood. It provides that if any road under the rate schedules earns more than the fair return then such excess shall be placed in a reserve fund. One half of this reserve fund may be drawn upon by the road for improvements or dividends, all subject to the approval of the commission, and the other half of excess earnings shall go to a general contingent fund to be expended by the United States through the commission on needed railway improvements or rehabilitation as the commission may from time to time elect.

In 1924 the Supreme Court upheld this clause of the transportation act.

The Labor Board, as constituted by the transportation act, consists of a commission of nine men—three from the carriers, three from the employees, and three from the public. The President appoints all nine men, those from the carriers from six nominations made by the carriers, those from the employees from six nominees of the employees. No nominations are made by the public.

There is provision also for labor boards of adjustment, which may inquire into matters involving grievances or working conditions but which have no jurisdiction in the matter of wages.

The act provides, however, that before any matter shall go before the boards it shall first be the subject of conferences between the parties interested—the carrier or carriers and the employees. If conference fails, then wage disputes go to the Labor Board; and other disputes go to the Labor Board also if the adjustment boards do not exist, for it is provided that the creation of the adjustment boards is voluntary, and either the roads or the employees may refuse to create their portion of such adjustment boards.

The Labor Board provision authorizes the examination of all facts and conditions entering into the dispute and provides for full publicity of all its hearings, discussions, or findings, but no authority is delegated to enforce its decisions.

The hearings before this board in numerous instances and the results of these deliberations, together with the conditions of both sides in particular cases, are matters of public record.

HIGHWAYS

In the last few years a new agency of transportation has entered into the consideration of thoughtful men, an agency that bids fair later to have a distinct bearing on the future of the American railway.

We now have a National and State investment in public highways of \$5,000,000,000, and this year Congress has appropriated \$80,000,000, which must be matched by the States, making a total new investment of \$160,000,000 in the next two years, establishing a policy which will probably be continued.

Already the competition of the motor car has been felt in the interurban lines and in railroad lines of a short-haul character. The motor bus has already resulted at least in a few abandonments of electric-line transportation. Near my own city, through Illinois and Missouri, there are motor coaches extending out into long lines of profitable freight and passenger business. That is a coming problem.

The Department of Agriculture estimated three years ago that 134,000,000 tons of farm produce were hauled over the highways of the Nation in 1921. The shipping of livestock by truck is becoming popular and economical in farming communities, and the transportation of other commodities by truck is increasing daily. At first the truck was a valuable feeder to the railroad, but with the extension of the National and State road programs and the enormous increase in the motor truck and motor car output the competition becomes a factor in the railroad problem.

The motor problem is a study in itself. According to the Joint Agricultural Inquiry Committee of the Sixty-seventh Congress, the registrations of motor vehicles in the Nation in 1911 were 501,000, of which 14,000 were trucks.

Ten years later the registrations were 10,300,000 motor vehicles, of which 1,390,000 were trucks, and to-day there are 15,500,000 registrations, of which 1,831,000 are trucks, with an annual investment in automobiles of \$7,546,000,000.

Every truck in its relation to every mile of paved road becomes a potential factor in the transportation problem, a factor in the future of the American railroad.

WATERWAYS

From 1824 to 1923 the United States spent a total of \$1,150,000,000 on waterways, harbors, rivers, canals, boats, and river service. From 1913 to 1921 the Government spent \$400,000,000 of this sum. There are 6,014 miles of navigable waterways and rivers receiving Government appropriations. Of the total amount spent on waterways, harbors, and canals, about \$400,000,000 has been spent to date by the Government on rivers only.

This does not take into consideration the Shipping Board and its war emergency expenditures of \$2,500,000,000. This refers only to canals, waterways, rivers, and river service which are distinctly competitive subjects in the discussion of the railroad problem.

There is a bill now before Congress to appropriate, for a six-year building program for inland waterways, \$53,000,000.

When these expenditures for waterways are added to the expenditures by the Government and States for highways the public competitive investment becomes enormous.

INVESTMENT AND SERVICE

To-day in the United States there are 258,314 miles of railroads operated. There are 38,692 miles of secondary track and 116,186 miles of terminal and siding tracks, a total of 413,192 miles of trackage, or more than enough to lay rails across the Atlantic 100 times or to span the earth's surface at the Equator in first-class mileage 10 times.

There are 68,990 locomotives, 2,380,482 freight cars, and 57,166 passenger cars. Every man, woman, and child of our 110,000,000 population could be transported at one time if all railroad vehicles were used.

In 1923 the railroads carried 1,387,942,018 tons of freight a distance of 416,211,000,000 miles.

In the same year 1,009,000,000 passengers rode a total distance of 38,297,000,000 miles.

The railroads have a capital of about \$21,000,000,000, or at the rate of about \$89,500 per mile.

The total operating expenses of 1923 were \$4,895,000,000.

The operating revenue, \$6,289,000,000.

There are 1,855,000 employees working on these roads and about 2,000,000 in allied industries, and the number of individual roads reporting to the commission is more than 2,000.

There are 890,000 stockholders in these roads in addition to bondholders and other creditors.

Allowing three to a family, there are 12,000,000 persons depending upon the railroads for money that actually goes directly into their pockets.

These roads burned 131,491,000 tons of soft coal in 1923 and 2,614,000 tons of hard coal, and consumed 2,334,365,000 gallons of oil.

They laid 84,500,000 railroad ties and 3,000,000 tons of steel in replacements and betterments.

Every locomotive costs between \$35,000 and \$75,000, every passenger car \$15,000 to \$30,000, every diner approximately \$50,000, and every freight car from \$1,500 to \$3,500.

The roads loaded nearly 50,000,000 freight cars during the year 1923, and installed 4,160 locomotives, 223,724 freight cars, and 2,534 passenger cars.

NATIONAL VALUATION

In 1913 Congress amended the interstate commerce act by a provision directing the Interstate Commerce Commission to proceed at once to make a valuation of the railroads of the United States, and authorized the commission to divide the Nation into districts to carry out this work.

The commission divided the country into five sections: Eastern, central, western, southern, and Pacific; and three boards were created, with one member on each board from each of the five districts; the first being a board of engineers, the second being a board of land attorneys, and the third a board of accountants.

For the purpose of expediting the valuation, field offices were established and field and office staffs were created. That was 11 years ago.

In 1922 an investigation was begun by Congress as to the cause of the apparent delay in completing this valuation, and it was discovered, for the first time, that the extent of this work was enormous.

To-day a better knowledge of the extent of this work may be obtained. At the peak of this valuation process there were 1,800 men employed by the commission for this work alone.

It must be remembered that there are over 2,000 railroad companies owning physical properties in the United States. These do not all report to the commission individually, but in the valuation process the properties of each of these 2,000 and more roads are to be valued.

This does not mean that the commission may enter the offices of the railroads, examine their financial statements, take the total amount of capital invested, and return this as the valuation of the road.

The commission first notified the roads that such a valuation was to be made, and the roads themselves were required to assist the commission in this work. Special charts, diagrams, and data had to be prepared with respect to every foot of track, every tie and every rail, every locomotive, passenger car, baggage coach, and other equipment—every item relating to this equipment and these physical properties in a financial way was tabulated, and an agent of the commission examined every item in these voluminous financial statements.

The commission was required to travel over much of the 258,000 miles of road in order to determine depreciation, actual cost, cost of replacement, and all the technical matters that enter into a valuation process.

In the 11 years ending in 1924 the army at work under the commission cost the Government nearly \$26,000,000, and the carriers assert that in assisting the Government to arrive at their various valuations the carriers spent three times this amount, or approximately \$75,000,000.

During this period of investigation litigation was unavoidable, and time and again the courts were resorted to in an effort to determine whether the policy of the commission was fair and equitable.

In fixing a fair return as contemplated by the interstate commerce act the actual valuation of the roads will be one of the important factors, but there is wide divergence of opinion even among experts as to the real valuation of a physical property, considering original investment, overhead expense, maintenance, and depreciation.

It is estimated the work of valuing the railroads will be completed by July, 1927.

A bill has been introduced in Congress asking for an appropriation of \$4,135,000 to complete primary valuation reports, and the statement is made by Interstate Commerce Commission experts this will complete the work of valuation so far as the primary valuation is concerned.

The statistical data, charts, maps, and drawings necessary to complete this work will fill to their capacity the space of more than 50 rooms, and if reduced to volumes would constitute several thousand.

The book cost of road and equipment by all classes of carriers reported in 1919 was as follows:

Eastern group	\$9,038,194,615
Southern group	2,183,923,124
Western group	8,818,454,872

Total of groups..... 20,040,572,611

The commission's estimate was—

Eastern group	\$8,800,000,000
Southern group	2,000,000,000
Western group	8,100,000,000

Total..... 18,900,000,000

RATES AND FAIR RETURN

I quote from the testimony of John J. Esch before the Interstate and Foreign Commerce Committee on May 21, 1924:

Section 15a (3) provides that after March 1, 1922, the commission shall "from time to time determine and make public what percentage of such aggregate property constitutes a fair return thereon, and such percentage shall be uniform for all rate-group territories which may be designated by the commission."

* * * The provisions of section 15a have been framed in recognition of constitutional guaranties of fair return upon property devoted to public use. They also declare the policy of Congress "in its control of interstate commerce system * * * to make the system adequate to the needs of the country by securing for it a reasonable compensatory return for all the work it does."

* * * Section 15a, reasonably construed, contemplates the determination of a return which the carriers, collectively or in rate groups, may attain over a period of time under rates adjusted from time to time with that object in view. The phrase "from time to time" does not mean that we should adjust and readjust rates to meet business fluctuations. Whether carriers may be able to earn an aggregate net railway operating income equal to a fair return must depend to a large extent upon business conditions. In the Wisconsin case the court said: "The new measure imposed an affirmative duty on the Interstate Commerce Commission to fix rates and to take other important steps to maintain an adequate railway service for the people of the United States."

* * * In numerous cases cited courts and regulating authorities of States have recognized that public utilities and railroads may be permitted individually to earn, under reasonable rates, at least 6 per cent upon fair value.

* * * In our view railway corporations should, like other corporations, pay their Federal income taxes out of the income rather than collect it in effect from the public in the form of transportation charges adjusted to enable it to retain a designated fair return over and above the tax. We may observe that a fair return of 5.75 per cent, representing an aggregate annual net railway operating income arrived at after deducting, among other things, the Federal income tax on a return of 6 per cent, would be approximately the equivalent of a fair return of 6 per cent, out of which the Federal income tax was payable.

CONSOLIDATION OF RAILROADS

From the very earliest days there have been continuous consolidations of railroads, the number of individual roads gradually decreasing.

President Coolidge, in his last message to Congress on this subject, said:

In my message last year I emphasized the necessity for further legislation with a view to expediting the consolidation of our railways into larger systems. The principle of Government control of rates and profits, now thoroughly embedded in our governmental attitude toward natural monopolies such as the railways, at once eliminates the need of competition by small units as a method of rate adjustment. Competition must be preserved as a stimulus to service, but this will exist and can be increased under enlarged systems. Consequently the consolidation of the railways into larger units for the purpose of securing the substantial values to the public which will come from larger operation has been the logical conclusion of Congress in its previous enactments and is also supported by the best opinion in the country. Such consolidation will assure not only a greater element of competition as to service, but it will afford economy in operation, greater stability in railway earnings, and more economical financing. It opens large possibilities of better equalization of rates between different classes of traffic so as to relieve undue burdens upon agricultural products and raw materials generally, which are now not possible without ruin to small units, owing to the lack of diversity of traffic. It would also tend to equalize earnings in such fashion as to reduce the importance of section 15a, at which criticism, often misapplied, has been directed. A smaller number of units would offer less difficulties in labor adjustments and would contribute much to the solution of terminal difficulties.

There is now before the Committee on Interstate and Foreign Commerce a bill providing for consolidation of the railroads into several great systems.

COST OF PUBLIC OWNERSHIP

The Government can not, without paying for it, take over nor confiscate this enormous property, valued at approximately \$20,000,000,000, nor could it take over without withdrawing from the States and Nation \$350,000,000 annually in taxes.

In 1911 the class I railroads paid taxes amounting to \$98,626,000. In 1920 State taxes had risen to \$232,000,000 and Federal taxes mounted to \$50,000,000, a total of \$282,000,000, or an increase of 175.7 per cent over the year 1911.

In 1923 the roads paid \$332,000,000 in taxation to the State and Federal Governments, and for 1924 will pay over \$350,000,000.

SUMMARY

Summarizing the 96 years of development in the railroads we find:

1. A joint attempt at building between private capital and State and National aid.
2. The abandonment of State and National aid and the passing early in our history of roads into the hands of private capital.
3. The attempt and the failure of States to regulate rates; this having been demonstrated to be essentially a national function.
4. The roads are now largely directed by men of extended experience who have grown up in the railroad business, nearly all advancing by merit from minor positions.
5. Railroad stock, formerly owned by a few, is now held by hundreds of thousands of citizens, in many cases representing a lifetime saving.
6. The Government's effort to secure a proper valuation of railroads and promise of completion in 1927.
7. The right of the Interstate Commerce Commission to make rates has been established by the courts; limited, however, to rates insuring a fair return upon investment.
8. Practically everything connected with the railroads is now regulated: Rates, service, safety appliances, extensions, issuance of stock, issuance of bonds, consolidations, abandonments, locomotive and car inspection, accounting systems, reports, investigation of management, excess profits, connections with ports, rail and water commerce, valuations, liability of carriers.
9. The matter of further consolidation is now under consideration.
10. Investment in highways of \$5,000,000,000 and yearly investment of State and Nation of \$80,000,000.
11. National investment in inland waterways, canals, and harbors of \$1,150,000,000, and we contemplate an additional expenditure of \$53,000,000.

If I have in this statement shown the magnitude of the subject, the efforts of State control, the extent of the present national control, and have emphasized the tremendous development and the number of citizens dependent upon the roads for financial stability, I may have aroused an interest which will cause a more thorough study, extending to thousands of volumes.

Before making changes Congress, with the light of experience, should know what has gone before, ascertain the extent and limitation of its powers, so that it may approach this subject with thorough understanding.

[NOTE.]—For those who desire a more complete study of railroad problems I refer to the sources of my own information, namely, Government Regulation of Railway Rates, by Hugo Meyer; Our Railroads To-morrow, by Edward Hungerford; Principles of Railroad Transportation, by Johnson and Van Metre; American Railroads, by Cunningham; Government Ownership of Railroads, by Dunn; The Business of Railway Transportation, by Lewis Haney; Railroads—Rates, Service, Management, by Vanderblue and Burgess; the excellent works of Professor Hadley; decisions of the Labor Board, 1921 and 1922; hearings of Senate committee on S. 2327; hearings before House committee, May, 1924; current report of the Interstate Commerce Commission; the transportation act of 1920, as amended and revised and compiled; and three volumes of the congressional hearings on the return of the railroads to private management.

EXTENDING APPROPRIATION, COLUMBIA BASIN INVESTIGATION

Mr. SUMMERS of Washington. Mr. Speaker, I ask unanimous consent to take from the Speaker's table Senate Joint Resolution 157 and put it upon its passage.

The SPEAKER. The gentleman from Washington asks unanimous consent to take from the Speaker's table and pass the Senate joint resolution which the Clerk will report.

The Clerk read as follows:

Senate Joint Resolution 157, extending appropriation in connection with Columbia Basin investigation

Resolved, etc., That the unexpended balance of the appropriation contained in the act of March 4, 1923 (42 Stat. L. p. 1540), making appropriations for investigation of the feasibility of irrigation by gravity or pumping, water sources, water storage, and related problems in connection with Columbia Basin project, is hereby reappropriated and made available immediately and to continue available until the investigation is completed.

Mr. WINGO. Mr. Speaker, reserving the right to object—

The SPEAKER. The Chair was told that it would be a bill limiting it to February 15, but the bill as read says "until the investigation is completed."

Mr. SUMMERS of Washington. Until the report is completed, and the Secretary believes it will be completed by the 1st of February, or perhaps the 15th.

Mr. GARNER of Texas. Is this an emergency matter?

Mr. SUMMERS of Washington. I would be very glad to state this appropriation was made a year and a half ago, requiring a report on the 31st of this month. I have a letter from the Secretary of the Interior which says the report is not completed, and will not be for some weeks yet. There are several scientific men preparing the report, and this is to continue the little balance of that appropriation so they can go ahead and complete the report, which will be ready within a few weeks; otherwise the appropriation will be no longer available.

Mr. GARNER of Texas. When Mr. GARRETT of Tennessee left he advised me that there would not be anything coming up after Calendar Wednesday except the naval appropriation bill. That is my understanding also from the gentleman from Ohio [Mr. LONGWORTH].

Mr. LONGWORTH. I did not hear the gentleman.

Mr. GARNER of Texas. When Mr. GARRETT of Tennessee left he advised me that nothing would come up this week except the naval appropriation bill, and that is also my understanding from the gentleman from Ohio. I would like the matter to go over until the gentlemen interested in the matter can have an opportunity to look into it.

Mr. LONGWORTH. I will say to the gentleman from Texas I was not aware of the general purpose, but being a question of unanimous consent—

Mr. GARNER of Texas. If the Speaker does not want to take the responsibility of declining to give unanimous consent himself for the present, I will do it myself, and ask that it go over until to-morrow.

Mr. SUMMERS of Washington. Will not the gentleman permit me to read a very short statement from the Secretary of the Interior?

Mr. GARNER of Texas. Put it in the Record and we will have it to-morrow.

Mr. SUMMERS of Washington. But we will have no session.

Mr. GARNER of Texas. We are bound to have a session to-morrow.

Mr. LONGWORTH. I have told a number of gentlemen who made inquiry that there will be no business to-morrow after the appropriation bill was through.

The statement of the Secretary is as follows:

THE SECRETARY OF THE INTERIOR,

Washington, December 18, 1924.

Hon. JOHN W. SUMMERS,

House of Representatives.

MY DEAR MR. SUMMERS: Under the act of February 21, 1923, I was authorized to investigate and report on what is known as the Columbia Basin reclamation project, and an appropriation of \$100,000 was made for this purpose under the act of March 4, 1923 (42 Stat. 1540), available until December 31, 1924.

The engineers and economists in charge of the preparation of data for the final report advise me that it will be impossible for them to complete their work so as to enable me to submit my report by the date the appropriation expires. It was my purpose to submit a final report on this matter on or before December 31, 1924, but now find that such a report can not be submitted before February 1, 1925, and it may possibly be the 15th of that month. I believe, therefore, that it would be advisable to extend the time during which the funds appropriated will be available for this purpose so as to cover any expenses

incurred after December 31, 1924. The exact amount of the unexpended balance can not be stated, on account of unreported expenditures.

This matter is called to your attention in order that proper action may be taken by the Congress.

Sincerely yours,

HUBERT WORK.

Mr. GARNER of Texas. I would rather have this go over to to-morrow. If it can be done by unanimous consent, it can be done to-morrow.

The SPEAKER. The Chair will state that the bill is not in the form he understood it was in. He understood it ought to be limited to February 15.

AIR MAIL SERVICE

Mr. WINTER. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. The gentleman from Wyoming asks unanimous consent to extend his remarks in the RECORD. Is there objection?

There was no objection.

Mr. WINTER. Mr. Speaker, I am impelled to say a word for record in support of the bill authorizing the Postmaster General to extend the Air Mail Service. My State, which is my district, lies on the air mail route from New York to San Francisco. There are air mail plane stations at Cheyenne, Laramie, Rawlins, Rock Springs, and Evanston, all in Wyoming. There are revolving, sweeping signal lights interspersed across the 365 miles of valley, plain, and mountains, from the eastern to the western boundary of the State. The highest is on Sherman Hill, at an altitude of 8,600 feet, the Continental Divide.

It has been my fortune to have witnessed last fall air mail planes arriving at and leaving the Wyoming stations. It is an inspiration and brings a thrill to see these rigid-winged machines sweeping through the air lanes over these tremendous stretches of one of the Commonwealths of this great Nation and to realize that it is a part of a system operating from ocean to ocean. It is a striking demonstration of the marvelous ingenuity, the resourcefulness, the skill, and the bravery of the American people and its citizen employees.

This service has not been without its sacrifices of human life. Twice air mail pilots have made the supreme sacrifice in the crashing of their planes against the high head of Elk Mountain, in my State, when darkness or snowstorms have confused their course and obscured their objective. It was with gratification and a feeling of security for the lives of our courageous pilots that on many nights across the breadth of my State, from auto or from train, on the Union Pacific route, I saw the great shafts of light sweeping across the heavens, the signals beckoning them safely from station to station in the dark hours of the night. Like great eagles, symbolizing the power, genius, and swiftness of the United States, the mail planes descended from the darkness and again ascended into the night and swept onward.

They carry across the Nation at amazing speed the messages of business, of society, and of the home. They link in swift contact the East and the West. They dwarf the Nation to a span. They bring our people nearer to each other. They render incalculable service in the commercial world; but, greater than this, they solidify, they unite, as never before, the utmost sections of our broad land. They will weave, as this service is extended over the whole country in time, a thousand strands daily into the common fabric of the Union.

ADJOURNMENT

Mr. LONGWORTH. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 4 o'clock and 55 minutes p. m.) the House adjourned until to-morrow, Saturday, December 20, 1924, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of Rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

747. A communication from the President of the United States, transmitting a draft of legislation making available not to exceed \$275,000 of the existing appropriations for river and harbor works for the purpose of making surveys of the St. Lawrence River and the preparation of plans and estimates by the United States section of the Government Board of Engineers on the St. Lawrence River (H. Doc. No. 498); to the Committee on Appropriations and ordered to be printed.

748. A letter from the chairman of the Interstate Commerce Commission, transmitting a report for the month of November, 1924, showing the condition of railroad equipment; to the Committee on Interstate and Foreign Commerce.

749. A letter from the Secretary of War, transmitting, with a letter from the Chief of Engineers, reports on preliminary examination and survey of Mulberry Fork of the Warrior River above Sanders Shoals, Ala.; to the Committee on Rivers and Harbors.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of Rule XIII,

Mr. MADDEN: Committee on Appropriations. H. R. 10982. A bill making appropriations for the Treasury and Post Office Departments for the fiscal year ending June 30, 1926, and for other purposes; without amendment (Rept. No. 1056). Referred to the Committee of the Whole House on the state of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of Rule XIII,

Mr. BUTLER: Committee on Naval Affairs. H. R. 9112. A bill for the relief of Commander Charles James Anderson, United States Naval Reserve Force; without amendment (Rept. No. 1057). Referred to the Committee of the Whole House.

Mr. BUTLER: Committee on Naval Affairs. H. R. 9228. A bill for the relief of Charles Ritzel; without amendment (Rept. No. 1058). Referred to the Committee of the Whole House.

Mr. BERGER: Committee on the Public Lands. H. R. 1579. A bill authorizing the disposition of certain lands in Minnesota; with amendments (Rept. No. 1059). Referred to the Committee of the Whole House.

Mr. STEPHENS: Committee on Naval Affairs. H. R. 1446. A bill for the relief of Charles W. Gibson, alias Charles J. McGibb; without amendment (Rept. No. 1060). Referred to the Committee of the Whole House.

Mr. STEPHENS: Committee on Naval Affairs. H. R. 10670. A bill for the relief of Frederick S. Easter; with an amendment (Rept. No. 1061). Referred to the Committee of the Whole House.

CHANGE OF REFERENCE

Under clause 2 of Rule XXII, committees were discharged from the consideration of the following bills, which were referred as follows:

A bill (H. R. 9946) granting a pension to Harry E. Pangburn; Committee on Invalid Pensions discharged, and referred to the Committee on Pensions.

A bill (H. R. 10854) granting an increase of pension to Charles N. Cannon; Committee on Invalid Pensions discharged, and referred to the Committee on Pensions.

A bill (H. R. 10795) granting an increase of pension to Gideon C. Lewis; Committee on Pensions discharged, and referred to the Committee on Invalid Pensions.

A bill (H. R. 10896) granting an increase of pension to Samantha A. Carnefix; Committee on Pensions discharged, and referred to the Committee on Invalid Pensions.

PUBLIC BILLS, RESOLUTIONS, AND MEMORIALS

Under clause 3 of Rule XXII, bills, resolutions, and memorials were introduced and severally referred as follows:

By Mr. MADDEN: A bill (H. R. 10982) making appropriations for the Treasury and Post Office Departments for the fiscal year ending June 30, 1926, and for other purposes; committed to the Committee of the Whole House on the state of the Union.

By Mr. WILLIAMSON: A bill (H. R. 10983) providing for the leasing of restricted Indian allotments for a period not exceeding 10 years; to the Committee on Indian Affairs.

By Mr. CRISP: A bill (H. R. 10984) declaring Flint River above Albany, Ga., nonnavigable; to the Committee on Interstate and Foreign Commerce.

By Mr. NEWTON of Minnesota: A bill (H. R. 10985) limiting the provisions of the act of August 29, 1916, relating to the retirement of captains in the Navy; to the Committee on Naval Affairs.

By Mr. CURRY: A bill (H. R. 10986) to authorize cooperative agreements between the heads of the executive depart-

ments and the Governor of the Territory of Alaska; to the Committee on the Territories.

By Mr. BRITTEN: A bill (H. R. 10087) to advance the Naval Establishment with a view to meeting the 5-5-3 ratio promoted by the Washington arms conference, and to authorize an increase in the limits of cost of certain naval vessels, and to provide for the construction of additional vessels; to the Committee on Naval Affairs.

By Mr. GASQUE: A bill (H. R. 10988) to provide for dividing the State of South Carolina into three judicial districts, for the appointment of a district judge, district attorney, and marshal for the eastern district of South Carolina, for the holding of the terms of court in said districts, and for other purposes; to the Committee on the Judiciary.

By Mr. SUMMERS of Washington: Joint resolution (H. J. Res. 312) extending appropriation in connection with Columbia Basin investigations; to the Committee on Appropriations.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BEGG: A bill (H. R. 10989) granting an increase of pension to Anna Snyder; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10990) granting an increase of pension to Phoebe E. Betts; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10991) granting an increase of pension to Elvesta E. Carper; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10992) granting an increase of pension to Katie Krieger; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10993) granting an increase of pension to Maria E. Witter; to the Committee on Invalid Pensions.

By Mr. BURTNESS: A bill (H. R. 10994) granting a pension to John M. Johnson; to the Committee on Invalid Pensions.

By Mr. CRAMTON: A bill (H. R. 10995) granting a pension to Jennie E. Buckley; to the Committee on Pensions.

Also, a bill (H. R. 10996) granting a pension to Tamar Ervin; to the Committee on Pensions.

By Mr. CROWTHER: A bill (H. R. 10997) granting a pension to Mary A. Kennedy; to the Committee on Invalid Pensions.

By Mr. FAUST: A bill (H. R. 10998) granting an increase of pension to Henry De Bell; to the Committee on Invalid Pensions.

By Mr. FISH: A bill (H. R. 10999) granting an increase of pension to Mary E. Carpenter; to the Committee on Invalid Pensions.

Also, a bill (H. R. 11000) granting an increase of pension to Eliza A. Frost; to the Committee on Invalid Pensions.

Also, a bill (H. R. 11001) for the relief of Arthur E. Colgate, administrator of Clinton C. Colgate, deceased; to the Committee on Claims.

Also, a bill (H. R. 11002) for the relief of Peter Myer; to the Committee on Military Affairs.

By Mr. GARDNER of Indiana: A bill (H. R. 11003) granting an increase of pension to George Sparks; to the Committee on Pensions.

By Mr. GIBSON: A bill (H. R. 11004) granting an increase of pension to Mary H. Hight; to the Committee on Invalid Pensions.

By Mr. GREENWOOD: A bill (H. R. 11005) granting a pension to Sarah Ladson; to the Committee on Invalid Pensions.

By Mr. GRIEST: A bill (H. R. 11006) granting an increase of pension to Susan Bryson; to the Committee on Invalid Pensions.

By Mr. HAWLEY: A bill (H. R. 11007) granting a pension to Hattie A. Cruson; to the Committee on Pensions.

By Mr. KOPP: A bill (H. R. 11008) granting a pension to Eliza A. Corbett; to the Committee on Invalid Pensions.

By Mr. LOWREY: A bill (H. R. 11009) for the relief of James M. Conner; to the Committee on War Claims.

By Mr. LOZIER: A bill (H. R. 11010) granting an increase of pension to Margaret McCullough; to the Committee on Invalid Pensions.

By Mr. MANLOVE: A bill (H. R. 11011) for the relief of Thomas A. Heard; to the Committee on Military Affairs.

Also, a bill (H. R. 11012) granting an increase of pension to Louisa L. Littler; to the Committee on Invalid Pensions.

By Mr. MAPES: A bill (H. R. 11013) granting a pension to Albert S. Riddle; to the Committee on Pensions.

By Mr. MOORE of Ohio: A bill (H. R. 11014) granting an increase of pension to Frank L. Snoots; to the Committee on Pensions.

By Mr. PURNELL: A bill (H. R. 11015) granting an increase of pension to Silas Rogers; to the Committee on Pensions.

By Mr. ROBSION of Kentucky: A bill (H. R. 11016) granting a pension to Polly Couch; to the Committee on Invalid Pensions.

Also, a bill (H. R. 11017) granting a pension to Catron Jones; to the Committee on Pensions.

By Mr. RUBEX: A bill (H. R. 11018) granting a pension to John T. Wilson; to the Committee on Invalid Pensions.

By Mr. SNELL: A bill (H. R. 11019) granting an increase of pension to Mary Griffin; to the Committee on Invalid Pensions.

Also, a bill (H. R. 11020) granting a pension to Margaret Richards; to the Committee on Invalid Pensions.

By Mr. SPEAKS: A bill (H. R. 11021) granting an increase of pension to Mary J. Graham; to the Committee on Invalid Pensions.

By Mr. THOMAS of Kentucky: A bill (H. R. 11022) granting an increase of pension to Henry Y. Staton; to the Committee on Pensions.

By Mr. VINCENT of Michigan: A bill (H. R. 11023) granting a pension to Arthur Raymond; to the Committee on Pensions.

By Mr. WILLIAMS of Illinois: A bill (H. R. 11024) granting a pension to Elizabeth Jamison; to the Committee on Invalid Pensions.

By Mr. WILSON of Indiana: A bill (H. R. 11025) granting an increase of pension to Elizabeth Davis; to the Committee on Invalid Pensions.

Also, a bill (H. R. 11026) granting an increase of pension to Matilda Gomes; to the Committee on Invalid Pensions.

By Mr. WINSLOW: A bill (H. R. 11027) granting an increase of pension to Abby E. Trussell; to the Committee on Invalid Pensions.

By Mr. CURRY: Resolution (H. Res. 386) to pay Mary V. O'Toole and Conrad P. Kahn, clerks to the late Hon. Julius Kahn, one month's salary; to the Committee on Accounts.

PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

3266. By Mr. ANDREW: Petition of Army and Navy Union, Charlestown, Mass., urging passage of bills increasing pensions of Civil and Spanish War veterans; to the Committee on Pensions.

3267. By Mr. GUYER: Petition of sundry citizens of Franklin County, Kans., protesting the passage of Senate bill 3218, known as the compulsory Sunday observance bill; to the Committee on the District of Columbia.

3268. Also, petition of sundry citizens of Ottawa, Kans., objecting to the passage of Senate bill 3218, known as the compulsory Sunday observance bill; to the Committee on the District of Columbia.

3269. By Mr. RAMSEYER: Petition of citizens of Mahaska, Monroe, and Wapello Counties, State of Iowa, opposing the passage of Senate bill 3218 or any other religious legislation which may be pending; to the Committee on the District of Columbia.

3270. By Mr. VARE: Memorial of Philadelphia Board of Trade, urging passage of the McFadden bill; to the Committee on Banking and Currency.

3271. By Mr. VINCENT of Michigan: Petition of residents of Gratiot County, Mich., protesting against the passage of the compulsory Sunday observance bill; to the Committee on the District of Columbia.

SENATE

SATURDAY, December 20, 1924

The Chaplain, Rev. J. J. Muir, D. D., offered the following prayer:

Our Father, we draw near to Thee this morning, and while we bless the hand that has been guiding our way we wish to return to Thee thanks especially at this season of the year. To some there may be a sense of loneliness attached to it that makes them think of others with them formerly, but we pray that Thou, "strong Son of God, immortal love," may be near in the presence of these lonely experiences, multiplying to each the joy of Christmas time in heart and in the experiences through which they may be passing.